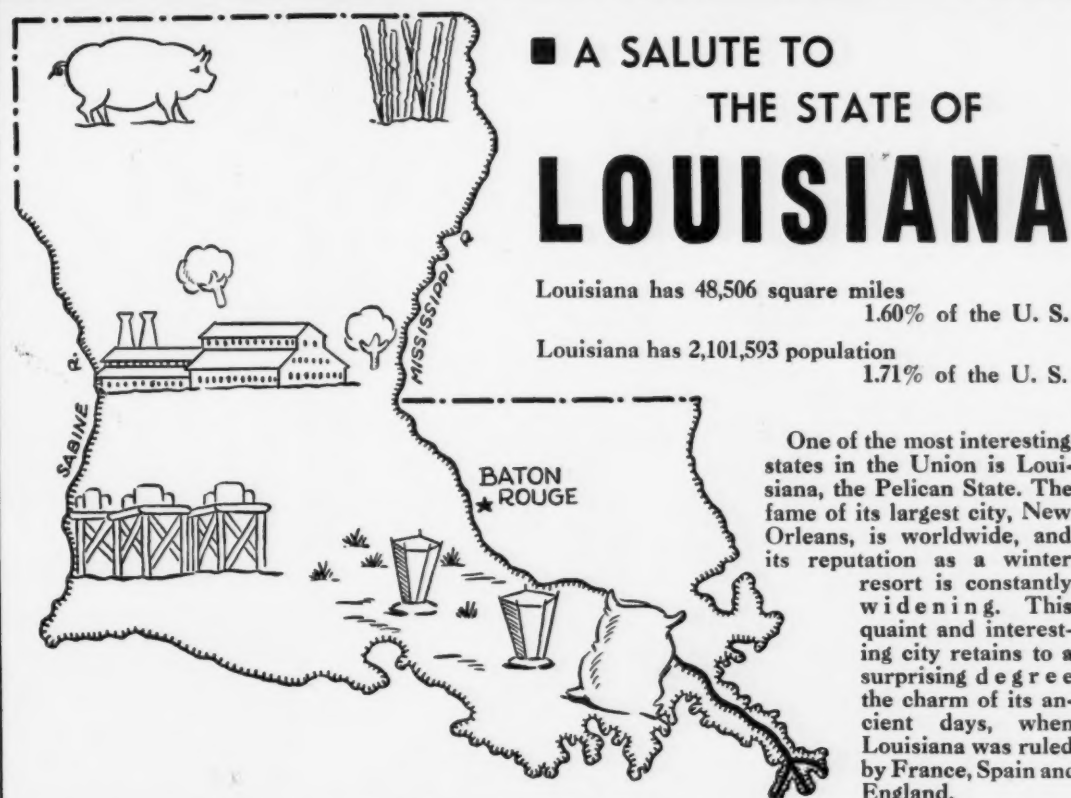


# The NATIONAL UNDERWRITER



## ■ A SALUTE TO THE STATE OF LOUISIANA

Louisiana has 48,506 square miles  
1.60% of the U. S.

Louisiana has 2,101,593 population  
1.71% of the U. S.

One of the most interesting states in the Union is Louisiana, the Pelican State. The fame of its largest city, New Orleans, is worldwide, and its reputation as a winter resort is constantly widening. This quaint and interesting city retains to a surprising degree the charm of its ancient days, when Louisiana was ruled by France, Spain and England.

It has been said that the rich alluvial deposits of the Mississippi River have made Louisiana a place in which almost anything will grow to profusion. Rice, cotton, sugar cane, corn, sweet potatoes, tobacco and nuts are the leading crops. In addition, more than 6,000 square miles are devoted to the propagation of oysters and to commercial fishing, trapping, and shrimp.

Louisiana ranks high among all the states in the value of exports, and fourth in the production of petroleum, producing more than 50,000,000 barrels last year.

The Industrial Canal between Lake Pontchartrain and the Mississippi River is giving the Port of New Orleans and the surrounding area facilities for river frontage, harbor sites and industrial locations of great potential value.

*Louisiana insures, with the old established stock companies, \$735,924,084 of its property values against fire and pays, annually, \$6,558,447—1.42% of the premiums of the United States.*

### American Equitable Assurance Company of New York

Organized 1918

Capital \$1,000,000.00

### Merchants and Manufacturers Fire Insurance Company

Trenton, N. J.

Capital \$1,000,000.00

Chartered 1849

### Globe & Republic Insurance Company of America

Philadelphia, Pa.

Capital \$1,000,000.00

Established 1862

### New York Fire Insurance Company

Incorporated 1832

Capital \$1,000,000.00

### Knickerbocker Insurance Company of New York

Organized 1913

Capital \$1,000,000.00

### Sussex Fire Insurance Company

Newark, N. J.

Capital \$1,000,000.00

Incorporated 1928

## Corroon & Reynolds

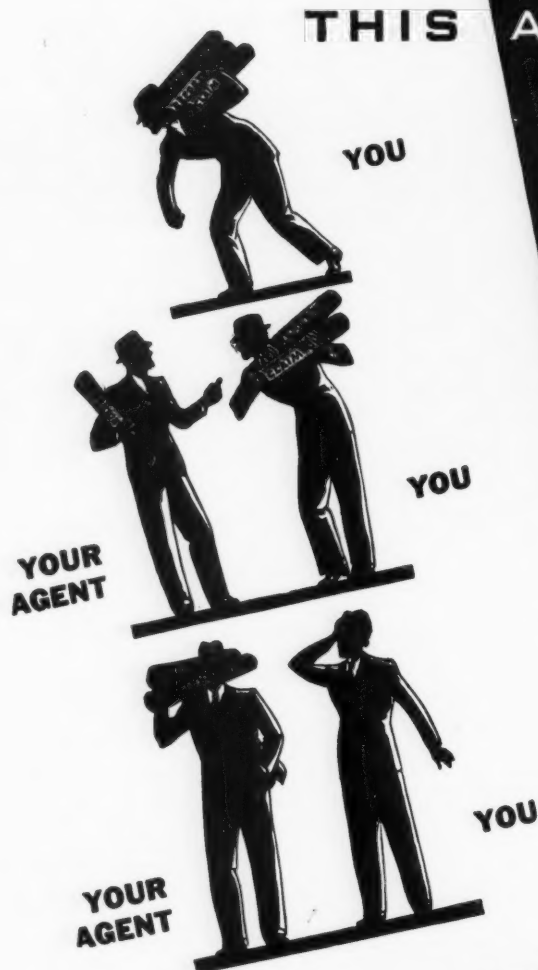
Incorporated  
MANAGER

92 William Street

New York

*One of a series designed to acquaint insurance men and insurance buyers with a few facts about our country*

THURSDAY, MAY 20, 1937



## *"That fire insurance agent sure earned his commission"*

What a load off your mind and a load off your back the insurance agent takes.

Representing a stock fire insurance company — such as Aetna — he is always ready to come and work out the details of any claim you may have. He is interested in seeing that

you, his client, get fair treatment and prompt payment.

In return for his commission, the agent gives insurance advice and information, showing clients how to reduce their insurance costs.

This helpful service is only one of the many reasons why most people place their fire insurance with stock companies. Actually, more than 80% of all fire insurance is written by companies organized on the good old American principle of stock ownership.



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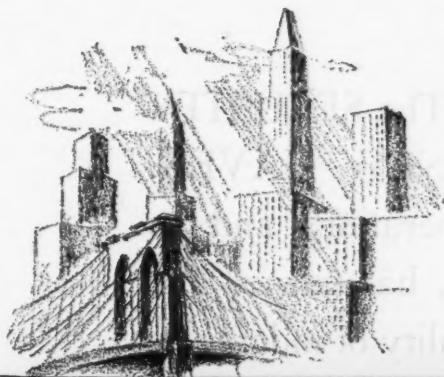
## THIS ADVERTISEMENT


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<h2>COMMERCIAL UNION GROUP</h2>		
<small>COMMERCIAL UNION ASSURANCE COMPANY, LTD. AMERICAN CENTRAL INSURANCE COMPANY COLUMBIA CASUALTY COMPANY THE PALATINE INSURANCE COMPANY LTD.</small>	<small>THE OCEAN ACCIDENT &amp; GUARANTEE CORPORATION LTD. THE BRITISH GENERAL INSURANCE COMPANY, LTD. UNION ASSURANCE SOCIETY, LIMITED THE COMMERCIAL UNION FIRE INSURANCE COMPANY</small>	
NEW YORK	CHICAGO	SAN FRANCISCO

(STOCK COMPANIES)

These Companies write practically all forms of Insurance, except Life



## Security for American Property Owners Since 1841

The Statue of Liberty on Bedloe's Island, New York Harbor, was presented to the United States by France and was unveiled on October 28, 1886. The total cost was about \$1,000,000, raised in France by popular subscription. The statue weighs 450,000 pounds (225 tons); 40 persons can stand in the head, and 12 in the torch. Liberty carries in her left arm, pressed against her side, a book representing the Law, which has on it the date, in block letters, July 4, 1776, denoting *Liberty based on Law*.

To the returning voyager, to the immigrant coming to America, this great Statue of Liberty, lights the way to a haven of freedom and

# Security



Kaufman & Fabry

SECURITY creates confidence. The SECURITY INSURANCE COMPANY of NEW HAVEN, with its nearly a century of operations and its solid New England background, has earned the confidence of its agents in the quality of indemnity SECURITY policies afford their clients.

Do Business with a Strong American Stock Company Operating Through Responsible Agents

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1841  
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Insurance Company  
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WESTERN DEPT.  
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*The East and West*  
Insurance Company  
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PACIFIC DEPT.  
SAN FRANCISCO, CALIF.

*The Connecticut*  
Indemnity Company  
NEW HAVEN, CONNECTICUT



## Annual Meeting of W. I. B. Held

H. A. Clark, in Presidential Message, Appraises the Business Today

### SEES DANGER IN PROFIT

Drive for Business Tends to Increase Expenses, Bureau Head Observes  
—Parley in Asheville

ASHEVILLE, N. C., May 19.—After reviewing some recent rule changes approved by the subscribers committee and others now under consideration, H. A. Clark, in his presidential address before the annual meeting of the Western Insurance Bureau here, made a broad appraisal of the insurance situation in the light of current economic trends. Mr. Clark is vice-president and western manager of the Firemen's.

The speaker observed that no other business is so sensitive to changing economic conditions as that of fire insurance. For instance, to keep abreast of the times, the companies were recently compelled to make a radical departure from orthodox underwriting principles and remold certain forms of coverages because of innovations in the field of organized labor in relation to strikes.

### Taxes Are Burdensome

The business, he pointed out, is staggering under burdensome taxes, with no apparent relief in sight. In the next few years there will be substantial and inescapable tax increases due to the application of the social security act. These unwarranted taxes, he stated, which are ultimately borne by the assured are not equitable because they are an imposition upon the thrifty and provident to the benefit of the careless and improvident.

Mr. Clark contended that the tax on fire insurance should be limited to the amount necessary to maintain the state insurance department. It should not be collected through the medium of insurance companies as an indirect tax upon property owners.

Taxes have increased more than one-third and national income has decreased in about the same proportion, he recalled. The national debt has reached the sum of nearly \$35,000,000,000 and profligacy in government spending continues. The tax spending municipalities and governmental agencies are constantly seeking to find new and increased sources of taxation. The budgets are likely to become more unbalanced due to the tremendous expenditures for various and apparently unnecessary forms of relief.

Policyholders of stock fire companies, according to Mr. Clark, are fortunate that these institutions are today so strongly entrenched financially. As of

(CONTINUED ON PAGE 46)

## Find Increased Interest in General Agency Field

### SCAN OPPORTUNITIES TODAY

Many Group Managements Are Seeking Representation for Their Lesser Companies—Change in Sentiment

Increasing interest is being manifested by the companies in the idea of getting general agency representation. A good many appointments have been made lately and a number of the companies are scanning the field carefully, looking for opportunities.

A few years ago a good many general agents were unable to get company facilities that they wanted. They were decidedly on the asking end. During the depression a few rather important general agencies failed and the general agency system was under something of a cloud in the minds of company executives.

### Separation of Activities

Another disturbing factor was the program of separating general agency and local agency functions. That program was upsetting to the companies, and to general agents, but it has been very largely accomplished by now and those who have survived, who are in strong financial position and who operate exclusively as general agents are being courted these days.

The managements of some of the group companies are particularly interested in getting some of their smaller and less well known units into general agency offices. Some companies find that they can get as many agents for one of their less well known companies in a single state through a general agency than they can get in 10 states or so through their own field men.

### Can Often Do Wonders

A good general agent often is able to do wonders for one of the lesser known companies in the large groups. Apparently the local agents that deal with general agents think of the general agency as the principal and are not querulous about the companies that are offered. If a local agent gets good service from a general agent and has faith in that general agent, he will take the company or underwriter's agency that the general agent is planting.

An unusually large attendance of company executives is expected at the annual meeting of the American Association of Insurance General Agents in Denver next week. That will reflect the increased interest in general agency appointments as well as reflecting the warm regard in company circles for W. L. Braerton of Denver, president of the association, and for the other Denver general agents.

### Bennett at Mississippi Rally

W. H. Bennett, secretary National Association of Insurance Agents, left New York Tuesday to attend the annual convention of the Mississippi Association of Insurance Agents at Gulfport May 21-22, at which he will be chief speaker.

## Interest in the Presidency with Bickerstaff Retiring

### ANNUAL MEET NEXT MONTH

Southeastern Underwriters Association Does Not Advance the Vice-president to Higher Notch

The meeting of the Southeastern Underwriters Association at the Homestead Hotel, Hot Springs, Va., June 9, will be its 56th annual. Preceding the general session, the executive committee will meet to whip matters into shape for consideration at the full membership gathering. C. A. Bickerstaff, southern manager of the Fireman's Fund, having served two successive terms as president, his successor will be elected.

### Feature of the Vice-presidency

Unlike the majority of governing bodies of the country, the S. E. U. A. does not advance its vice-president to the chief office, nor has it been known to do so throughout its long history. The vice-presidency is usually given to one who has rendered particular service to southern underwriting. It is regarded as an honorary post. P. B. Sommers, president of the American of Newark, holds the office at present, having been so elected last year. Incidentally Mr. Sommers in all likelihood will be chosen president of the National Board, when that body meets in annual session in New York City June 28. Vacancies on the directorate of the S. E. U. A. created through the retirement from active business of A. R. Thommasson, former assistant United States manager of the North British & Mercantile, and F. E. Burke, former vice-president of the Home, will be filled at the gathering June 9. T. J. Southerland now supervises the southern business for the former company, while President H. V. Smith has the field under his care, as well as the country generally, for the Home.

## Fire Losses for First Four Months Are Given

NEW YORK, May 19.—The fire losses of the country last month, according to the National Board's compilation, aggregated \$26,663,854, 9.1 percent less than for March, but 3.3 percent greater than for April last year. The addition of the April losses increases the total for the first four months to \$109,707,740, compared with \$113,604,067 in 1936 and \$96,722,161 in 1935. The record for the first four months in 1937, 1936 and 1935 is:

	1937	1936	1935
Jan.	\$25,069,895	\$27,729,920	\$28,430,504
Feb.	28,654,962	30,309,896	25,981,025
Mar.	29,319,029	29,177,406	24,942,703
April	26,663,854	25,786,853	23,267,929
Tot.	\$109,707,740	\$113,604,067	\$96,722,161

The New York "Journal of Commerce" in its list of April fires includes these, causing damage of \$100,000 or more:

Stratford, Conn., chemical plant, \$100,000; Atlantic City, hotel, \$200,000; Bayonne, N. J., barrel plant, \$150,000; Trenton, N. J., cooperage, \$150,000; Philadelphia grain elevator and warehouse, \$100,000;

(CONTINUED ON PAGE 45)

## North Carolina Agents Convene

Association Reviews Successful Year; Membership Drive Results Outstanding

### COMPANY HEADS SPEAK

T. G. Redden Becomes President After Pinehurst Convention; County Board Work Is Lauded

### OFFICERS ELECTED

President—T. G. Redden, Greensboro.  
Vice-president—Thomas O'Berry, Goldsboro.  
Secretary—C. C. Harris, Rocky Mount (reelected).  
Treasurer—A. B. Morgan, Raleigh (reelected).

PINEHURST, N. C., May 19.—An outstanding year was reviewed by the North Carolina Association of Insurance Agents at its 40th annual convention here. In addition to increased cooperation between companies and agents, formation of 13 new local boards and membership increase to 506 were cited.

In every department the sessions were distinctive. Features included addresses by well qualified leaders of the business. Reports of President L. E. Dimmette, Vice-president T. G. Redden, Manager S. G. Otsot and others showed the practical fulfillment of ideals of progress.

William Lee was named to the board of directors to fill the unexpired term of Thomas O'Berry who was elected vice-president. Other directors elected at this time were Walker Taylor, Jr., Frank Wilkinson, R. L. Rice and A. C. Goodman, the last being re-elected. Directors who remain until 1938 are Past President T. F. Southgate, F. J. Wright and William Lee.

The convention was opened May 16 with registration, a golf tournament and the past presidents' dinner with Past President W. D. Scott presiding. The get together dinner was held the next evening with Vice-president L. E. Falls of the American of Newark as the speaker with Past President Thomas Barber acting as toastmaster for Colonel Walker Taylor who was ill. The practical ideals of insurance was the splendidly presented theme of Mr. Falls.

The usual dinner dance and bridge parties were part of the social program. Sixty players competed for the golf tournament prizes. Total registration was 364.

Company executives on the program in addition to Mr. Falls were Assistant United States Manager H. C. Conick of the Royal-Liverpool group who discussed "The Successful Agent." Vice-president A. R. Phillips, Great Ameri-

(CONTINUED ON PAGE 47)

## Concessions by E. U. A. in Parley with Boston Board

### HOLDING ANOTHER MEETING

Board Would Remain as Brokers' Organization, Handling Commissions Only—To Lease Facilities

BOSTON, May 19.—Marked concessions were made by the special Boston committee of the Eastern Underwriters Association at its conference here with the special committee of the Boston Board on the proposal for an amalgamation of the Boston Board, Providence Board and New England Insurance Exchange into the so-called New England Fire Insurance Rating Association.

A few weeks ago a long questionnaire was presented to the E. U. A. committee by the Boston Board representatives, who desired more definite information as to what was proposed by the change. Quite a few of these questions were straightened out by the visiting committee, it is unofficially stated, and the result was a marked lessening of the strain between the two factions.

The Boston Board committee was asked to discuss the latest phase of the situation and to go back to the board with a recommendation looking to the amalgamation, and a meeting of the board has been called for tomorrow to hear its report.

#### Board to Retain \$25,000 Fund

One moot matter met fairly by the E. U. A. committee, according to reports, relates to the actual title to the \$25,000 funds in the hands of the Boston Board, a Massachusetts corporation, and also as to the title of the books, records and supplies of the board, ownership of which is claimed by the 60-odd board members, a dozen or more being mutuals, which will probably not be admitted to the proposed New England Fire Insurance Rating Association. According to unofficial report, the E. U. A. committee was favorable to allowing the \$25,000 fund to remain as the property of the Boston board, which, under the plan, may continue as a brokers' organization having to do only with commissions, and that the facilities of the board would be taken over and utilized on a lease basis.

It is unlikely that the committee will present a unanimous report favorable to the new plan when it meets with the full board Thursday and it is equally well established that there is still considerable opposition in the board to giving up its 60-year-old functions as a rating bureau for metropolitan Boston.

#### Personnel of Committee

The E. U. A. committee which came to Boston was headed by Guy E. Beardsley, Aetna, as chairman, and included W. F. Dooley, Continental; C. L. Purden, Royal-Liverpool group; H. S. Poole, Home Fire; F. E. Steele, Springfield Fire & Marine; J. V. Herd, Fire Association; Paul B. Sommers and F. W. Doremus, American, and C. C. Hannah, Fireman's Fund.

The Boston Board committee included President Willard C. Hill, chairman; R. A. Sullivan, R. A. Bentley, A. J. Anderson, Gerald Henderson, H. G. Fairfield, G. W. S. Gierasch, F. J. Connors, J. H. Eddy, J. H. Carney, F. A. DeWick and J. J. Cornish.

#### Seabury on Western Trip

C. W. Seabury, president of Marsh & McLennan of Chicago, and E. C. F. Knowles, vice-president, have been on a Pacific Coast trip and also visited Vancouver and the Canadian northwest.

#### Mutual's 50th Anniversary

The Protection Mutual Fire, Chicago, is celebrating its 50th anniversary. J. L. Wilds is president and H. J. Jann, secre-

## Presides Over Western Bureau Annual Meeting



HERBERT A. CLARK, Chicago

At the annual meeting of the Western Insurance Bureau at Asheville, N. C., this week, H. A. Clark of Chicago, vice-president and western manager of the Firemen's group, who is president of the organization, was in the chair. Mr. Clark occupies a unique position. He is not only president but chairman of the board as the Bureau is incorporated.

It is a member of the Factory Mutuals organization and operates in 17 states and two Canadian provinces.

#### Bureau Managers' Conference

The annual conference of managers of inspection bureaus in the western territory is to be held at the Broadmoor, Colorado Springs, June 28-29. W. J. Kulp, manager Mountain States Inspection Bureau, is president of the conference.

## Bank Agency Trouble With First Bank Stock Adjusted

### STATEMENT ISSUED BY WARE

Minnesota Association of Insurance Agents Withdraws Objections to First Bancredit Finance Plan

ST. PAUL, May 19.—All differences between agency organizations and the First Bank Stock Corporation and First Bancredit Corporation regarding bank agencies have been satisfactorily adjusted, it is announced by P. H. Ware, secretary Minnesota Association of Insurance Agents.

The adjustment follows criticism leveled at the First Bancredit's premium financing plan at the recent Omaha meeting of the National Association of Insurance Agents because it was charged an affiliated company, the First Bank Stock, was violating the bank agency agreement in several instances.

Following several conferences between agency representatives and officials of the two bank organizations, the following statement was issued by Mr. Ware:

"The Minnesota Association of Insurance Agents, through its representatives at the Omaha convention, reported that complaints had been filed involving the placement of agencies with two banks in Minnesota affiliated with First Bank Stock Corporation, claiming the agencies were in conflict with the company-agency joint agreement. When this matter came to the attention of the executives of First Bank Stock Corporation and First Bancredit Corporation, we were met with a most cordial and cooperative attitude on their part, and all the difficulties were quickly ironed out to our entire satisfaction. We have adequate assurances that there will be no recurrence of the difficulty and therefore the objections to the activities of first Bancredit Corporation, heretofore interposed, are now withdrawn."

H. L. Hansen, formerly of the Kemp agency, Greenville, Mich., has joined the Merle J. Brown agency, Waterloo, Ia.

## Vermont Agents Gathered in Their Spring Meeting

### "BRONCHO CHARLIE" FEATURE

Number of Interesting Talks Were Heard at the Gathering at Brandon This Week

BRANDON, VT., May 19.—Thirty-first semi-annual spring meeting of the Vermont Association of Insurance Agents was held here, with 100 in attendance. The treasurer's report showed association in best financial condition in its history. The "Roll of Dishonor" given by S. C. Dorsey, Rutland, was a talk in connection with the many reciprocal and non-agency mutuals which have failed with very disastrous results to their policyholders. The address by H. G. Helm, publicity manager Glens Falls, was a fine analysis of different methods of advertising and their results. Chief Koltonski of the Rutland fire department pleaded with the local and special agents for more and better cooperation with fire chiefs.

#### Fire Hazard Illustrated

The demonstration by T. W. Gunn of the New Hampshire Board of Underwriters of many every day causes of fire hazards was very instructing and a revelation to most of those present.

The talking film "Sounding the Alarm" from the Automobile was a graphic demonstration of the starting of fires and getting the fire apparatus underway in the quickest possible time. An address by "Broncho Charlie," the last living person who rode the pony express carrying the United States mail through the Rockies, was the highlight of the meeting. "Broncho Charlie" was born in a covered wagon and spent 40 years on the backs of ponies, fighting Indians and pioneering. The members never previously listened to such a stirring address on western conditions of from 50 to 80 years ago. The speaker was born on Jan. 1, 1850, and is 87½ years old.

President E. F. Livingston of North Troy was in charge and presided at the business meeting, following a morning of golf on the links of the Brandon Country Club.

## THE WEEK IN INSURANCE

Annual meeting of the Western Insurance Bureau is held this week at Asheville, N. C. **Page 3**

North Carolina Association of Insurance Agents holds 46th annual convention at Pinehurst. **Page 3**

Fire losses for the first four months of the year are given. **Page 3**

Differences between agents' organizations and First Bancredit and First Bank Stock Corporation over planting of bank agencies are adjusted. **Page 4**

Concessions by E. U. A. committee helps clear up controversy with Boston Board. **Page 4**

St. Louis agency situation is taken up at meeting of the governing committee of the Western Underwriters Association this week. **Page 5**

George W. Blossom, chairman of the board of Fred S. James & Co. of Chicago, will be honored at a banquet this week in honor of his 60 years of service with that agency. **Page 6**

Caledonian officials will have ceremonies in connection with the opening of its new head office building at Hartford, June 2. **Page 12**

Vice-president Benjamin Rush, Jr., indemnity of North America, warns of tendency to state control of business, in talk before North Carolina agents. **Page 25**

Plan to give London Lloyds liability cover on Dallas exposition draws strong protest from Texas agents. **Page 24**

Operation of advisory organizations recommending stop-loss compensation coverage held legal in Michigan. **Page 24**

Much interest in who will be elected president of the Southeastern Underwriters Association. **Page 3**

Vermont Association of Insurance Agents held its spring meeting at Brandon. **Page 4**

L. J. Thomas of Dothan was reelected president of the Alabama Association of Insurance Agents at its annual meeting. **Page 5**

Annual meeting of Bureau of Accident and Health Underwriters held at Rye, N. Y. **Page 23**

Committee investigating Commonwealth Mutual Liability scandal requests an extension of time for the probe. **Page 24**

Changes in basis for casualty rate making discussed at meeting of Casualty Actuarial Society. **Page 23**

Actuary of future will be economist as well as mathematician, L. S. Senior tells Casualty Actuarial Society. **Page 23**

Industrial Insurers Conference meets at Asheville, N. C.; takes up pensions for agents, double indemnity clause features. **Page 26**

Program is announced for the annual meeting of the Texas Association of Insurance Agents. **Page 38**

W. H. Bennett, E. M. Allen to head speakers' list at convention of Virginia Association of Insurance Agents, June 25-26. **Page 38**

Program is announced for the annual meeting of the New York State Association of Local Agents. **Page 42**

## Hail Writings Increase in Both Kansas and Missouri

KANSAS CITY, May 19.—Hail business for stock companies has shown substantial gains in Missouri and Kansas this season as compared with 1936, field men report. There appear to be two reasons for this. In Missouri three successive crop failures put the farmer in a position where he couldn't afford crop coverage and made it appear a needless extravagance to buy it. This year the state has the best crop prospect in three years, and while farmers still haven't a great deal of money, there has been enough moisture practically to assure a good wheat and oats crop.

Better volume is reported by Hugh Ramsey, state agent farm department Home of New York, due partly to extra effort to secure the business but also to the slightly better financial position of the farmers and to better crop prospects. The America Fore group is securing much more hail business than last year in both Missouri and Kansas, reports E. W. Kennedy, state agent farm department. Much of it is being written on the five-year plan, and many premium notes have been taken although agents' skepticism on these is holding them within safe credit bounds.

Another factor in the increased volume in Missouri is the increased sowing of fall wheat last year. Prospects are excellent for a good apple crop in both Missouri and Kansas, and considerable hail coverage on it is expected later on.



## Rural Protection Crusade Boosted

N. F. P. A. in Chicago Meeting Devotes Whole Session to Farm Fires

### ELLIOTT IS REELECTED

Attendance Numbered 826—Much Interested in Report on Air Conditioning Hazards

#### NEW OFFICERS ELECTED

President—G. W. Elliott, Philadelphia.  
Vice-Presidents—S. D. McComb, New York; A. R. Small, Chicago.  
Secretary-Treasurer and Managing Director—F. H. Wentworth, Boston.  
Directors, A. T. Bell, Atlantic City, chairman; Eugene Arms, Chicago; H. T. Carlidge, New York; A. O. Dawson, Montreal; W. E. Mallalieu, New York; S. L. Nicholson, New York; H. Y. Freeman, Providence; D. V. Stroop, New York.

The National Fire Protection Association closed its annual meeting in Chicago last week. Registration went over the 800 mark, highest since the 1929 meeting. During the five-day session, practically every phase of fire control was considered by the delegates. In one of the early meetings, Managing Director F. H. Wentworth reminded the group that "Time marches on" and that as time marches so does the fire waste problem.

Working largely through committees, the N.F.P.A. annually brings its regulations and recommendations up to date, to keep pace with changing fire problems. New hazards and problems are considered, and changes that affect old hazards are studied. Numbering as it does some of the finest minds in the North American continent among its members, the N.F.P.A. is well equipped to offer solutions.

Experts in widely varied fields make  
(CONTINUED ON PAGE 47)

## Look Toward Amicable Plan in Solving St. Louis Issue

### COMMITTEE VISITS CHICAGO

Western Underwriters Association Has Been Gathering Data as to the Agency Representation

ST. LOUIS, May 19.—With the governing committee of the Western Underwriters Association meeting in Chicago this week, to work out final rules and regulations to apply to agencies in St. Louis and St. Louis county it now appears that an equitable and peaceful solution of this situation can be worked out with a minimum of friction and inconvenience.

The probability of a lasting solution of the question of what basis agency representation may be had in this district is due to the spirit of cooperation and understanding displayed by high company officials in the Western Underwriters Association and the St. Louis committee of agents.

#### Committee Visited Chicago

Members of the agents' committee were in Chicago last week to discuss plans for St. Louis and the results of that conference were reported to a meeting of the Fire Underwriters Association here. While there has been no official pronouncement of the results of either of those meetings, it is known that they have produced the general belief that the entire situation can be worked out on a basis that should prove equitable to the agents as well as the companies.

Naturally, it is always difficult to work out any general plan for agency representation in any territory that will prove 100 percent satisfactory to every agent. Prominent agents here fully realize that it is necessary to approach such a problem on the basis of give-and-take.

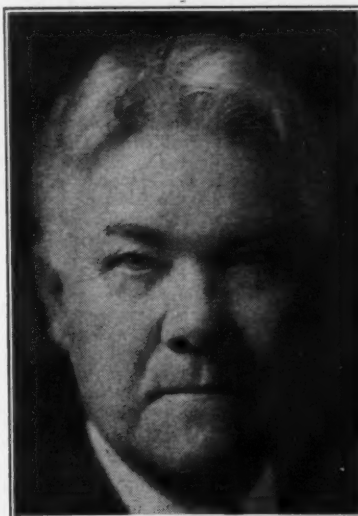
Prior to this meeting the Western Underwriters Association had requested members to file with its executive offices a list of their supervised and supervising agents in St. Louis and also a list of their Class 1 and Class 2 agents in the city proper. From this information it is probable the governing committee will work out a plan for classification and qualification of agents here, and the commissions to be paid each group.

At the meeting there was no reference  
(CONTINUED ON PAGE 48)

## N.F.P.A. Rise Is Linked With F. H. Wentworth

By LEVERING CARTWRIGHT

Anyone attending one of these annual conventions of the National Fire Protection Association—for instance the one in Chicago last week—observing the deliberations of scientists, engineers, ex-



FRANKLIN H. WENTWORTH

perts and specialists, searching every conceivable material process for a potential spark that may endanger life and property values, such an observer cannot but wonder about the genesis of this so remarkably well refined fire prevention activity.

These sessions are pretty dreary affairs to those who are not inherently interested in the vital issue of whether the walls of underground storage vessels for liquefied petroleum gas should be as little as 1/16ths of an inch thick plus a coating, or whether the requirement should be 3/8/100ths of an inch. But that is just as much of an issue to those (847 in Chicago) who go to N. F. P. A. meetings as is the question of rate of commission to Rochester agents, for  
(CONTINUED ON LAST PAGE)

## Annual Rally Is Held in Alabama

Competitive Side Is Emphasized by Several Convention Speakers

### THOMAS IS REELECTED

B. D. O. Is Featured at Meeting in Montgomery—Ask Similar Work in Casualty Field

#### OFFICERS ELECTED

President—L. J. Thomas, Dothan.  
Vice-president—J. F. Bullock, Mobile.  
Secretary—E. H. Moore, Birmingham.  
Chairman executive committee—Charles Morris, Tuscaloosa.  
National councillor—Charles L. Gandy, Birmingham.

The Business Development Office is the most constructive and most helpful sales kit ever produced by the insurance industry on behalf of the stock insurance interests, Payne H. Midyette, Tallahassee, Fla., declared at the annual meeting of the Alabama Association of Insurance Agents at Montgomery. Mr. Midyette, who is a member of the executive committee of the National Association of Insurance Agents, expressed the hope that it will not be too far in the future before the casualty and surety companies adopt the same plan.

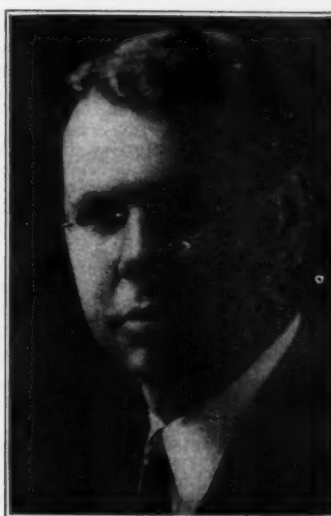
Urging cooperation with the B. D. O., Mr. Midyette said:

"If you have not perfected your organization in Alabama, do so at once. It will aid you in building a stronger association, help you to retain the business that is subject to attack from non-stock carriers as nothing else will. If you are not taking advantage of the material at your disposal through the Business Development Office I feel that you are making the greatest mistake of your life, for if you will honestly study, until  
(CONTINUED ON PAGE 10)

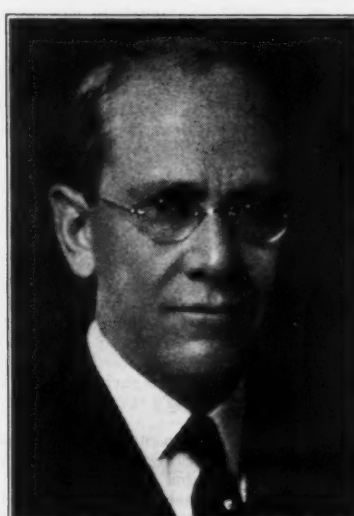
## SPEAKERS AT THE NORTH CAROLINA CONVENTION



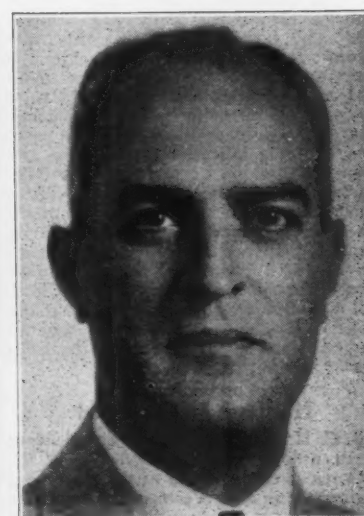
KENNETH H. BAIR, Greensburg, Pa.  
Former President National Agents



J. W. RANDALL, Hartford  
Vice-president Travelers



A. R. PHILLIPS, New York City  
Vice-president Great American



L. E. ENGLISH, Richmond, Va.  
General Agents Association

At the annual meeting of the North Carolina Association of Insurance Agents held this week there were notable speakers that attracted wide attention. The program presented a glittering array of talent seldom seen at a state gathering.



## Agents of South Carolina Hold Their Annual Meeting

W. OWEN WILSON IS SPEAKER

Association Convention at Sumter Is Presided Over by J. M. Green—Otstot's Talk Feature

SUMTER, S. C., May 19.—The South Carolina Association of Insurance Agents at its annual meeting here heard W. Owen Wilson, president National association, and several other leaders of the business speak. J. M. Green, Orangeburg, presided.

S. G. Otstot, manager North Carolina association, told the South Carolina association of the advantages of a local board. He reviewed the work done along this line in his own state.

He said that where there are enough agents in a town, a city local board should be formed, and in counties where there are several scattered small towns, all should be organized into one board. During the past administrative year, 13 county boards were organized, and through such associations representation in towns was increased to 134 in his own state.

These local boards encourage harmony among agents, and make them realize there is something in their business besides just competition. In this friendly atmosphere, cooperation in adherence to rules and regulations for solicitation, credit information and other ethical practices are developed and maintained. The grievance committees will keep down irregularities. The aggrieved agent cannot do much by himself. The companies will have more respect for the agents where they are formed into a board and will not appoint unworthy or part-time agents.

Local boards really demonstrate their value during legislative sessions. From the state association through the local board to the local agent, opinion can be mobilized against adverse insurance legislation. Members of the legislature will listen to organized opinion.

The emblem of the national, state and local organizations on the letterhead gives the agent prestige. The local board will be in the area's news through its work in fire prevention, for better fire departments and other beneficial activities. However, the local board members must discourage jealousy and practice good sportsmanship to make a success of it, Mr. Otstot said.

### Cancellation in Making Loans

The Milwaukee Board has sent out a bulletin stating that at a recent meeting the question of cancellation of fire policies in making loans was brought up. The members feel that the practice, detrimental to the policyholders, is growing. A policyholder suffers financial loss without being given a chance to protect himself against an unfair charge. Reference is made to the practice of some offices, with building and loan associations or mortgage loan departments, of canceling all fire policies short rate when a new loan is made. In some instances the assured is heavily penalized by a charge for which he receives no return. The Milwaukee Board considers this practice unethical. All properly executed fire and tornado policies should be accepted for the unexpired term and upon renewal be written by the new agent.

### Harding Is Reelected

J. C. Harding, executive vice-president western department Springfield F & M., was reelected chairman of the governing committee of the Western Underwriters Association at its meeting this week and W. P. Robertson, general manager North America, vice-chairman. There were present from New York Wilfred Kurth, Home of New York, and F. W. Koeckert, Commercial Union.

## Notables to Honor Blossom

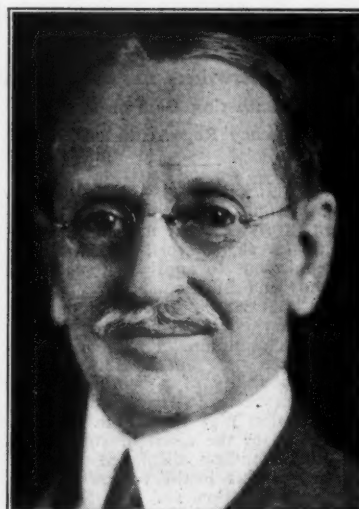
Many men celebrated in official ranks of insurance will honor George W. Blossom, chairman of the board of Fred S. James & Co., Chicago, who is completing 50 years of outstanding service with his organization, Friday evening of this week at the Chicago Club. The partners are tendering Mr. Blossom this dinner. Among the executives are President A. Duncan Reid, Globe Indemnity; U. S. Manager Harold Warner, Liverpool & London & Globe; President G. G. Bulkley, Springfield F. & M.; Vice-president J. O. Platt, North America; U. S. Manager C. F. Shallcross, North British & Mercantile; President A. F. Lafrentz, American Surety; W. J. Reynolds, Corroon & Reynolds, New York City; H. G. Casper, U. S. manager, and W. A. Blodgett, former U. S. manager Eagle Star; Vice-president T. C. Moore, Potomac; President O. E. Lane and Vice-president J. G. Maconachy, Fire Association; Assistant Manager J. H. Grady, General Accident; President C. F. Sturhahn and Vice-president B. N. Carvalho, Rossia; President G. C. Long, Connecticut Fire; H. A. Yates, vice-president National Union Fire.

Among the Chicago managers will be C. R. Tuttle, North America; C. R. Street, vice-president Great American; John C. Harding, executive vice-president Springfield Fire & Marine; and A. F. Powrie, western manager Fire Association.

### Founded in 1872

Mr. James founded the agency in 1872. It continued as a fire agency until 1902 when it began to write surety bonds and three years later branched into the casualty field. Subsequently it opened an eastern office in New York City. The firm's first marine department was established at its New York office in 1908 and in 1913 a similar department was opened in the Chicago agency.

The two personalities in the upbuilding of the agency in its early development were Mr. James and Mr. Blossom. Mr. Blossom joined the James' organization in 1887. In addition to the local



GEORGE W. BLOSSOM

agency, Mr. James was western general agent of the Washington Fire & Marine and Mr. Blossom was assistant general agent. The National Fire of Hartford took over the Washington at the end of 1887 and the two men became similarly situated with it.

### Represented for Many Years

Fred S. James & Co. have represented some of their companies for many years. For instance, it took the Connecticut Fire in 1882. It has represented the North British & Mercantile since 1884, American Alliance since 1901, the American Surety and Royal Exchange since 1916. After relinquishing the general agency of the National Fire, Fred S. James & Co. became United States managers of the Urbaine Fire, General Fire of Paris and the Eagle Star. After 1934 the firm gave up the management of the Eagle Star but Mr. Blossom continued to handle its investments.

## Chicago Brokers to Hold Business Development Meet

Decision to hold a Business Development conference in the Chicago Board auditorium starting at 2:30 p. m., June 4, was made at a directors meeting of the Insurance Brokers Association of Illinois this week. W. W. Ellis, National Board, and Wallace Rodgers, assistant manager Western Underwriters Association, will speak. Unattached brokers as well as members are welcome.

The brokers discussed the brokers license situation in Chicago, arising out of Mayor Kelley's proposal to amend the cities and villages act so that power to levy an occupational license tax will be given municipalities, excepting, however, professional men. At first the brokers assumed under such an amendment their status would be accepted as professional, but now they are wondering whether the amendment was not phrased so broadly that it could be left open to later interpretation to make Chicago brokers subject to the tax. Although the city has collected the \$25 license fee from about 250 individuals, it is known city officials consider this a very small sum in comparison to the approximate \$200,000 revenue which they expected.

A few weeks ago a number of general and life insurance brokers were hauled into municipal court over this matter, but their cases were continued to May 25. The city's counter-proposal to rewrite the ordinance so the fee would be \$10, in view of the fact that real estate brokers for a \$10 license fee also are entitled to sell insurance, also is hanging fire. Conclusive action may

## Missouri House Committee Lauds Compromise Pact

The Missouri house insurance committee has now submitted its report on its investigation of the fire insurance rate cases. The committee approved the compromise settlement of the 16 2/3 rate increase case. "There was no evidence produced before the committee," the report stated, "which in the remotest degree points to any irregularities or corrupt motives, or corrupt influences entering into the execution of the compromise agreement. No witness was offered from any source nor was there any intimation of any evidence from any source suggested to your committee which would point to any such irregularities. From the record we are of the opinion that the state obtained a fair settlement, and that the benefits derived therefrom have been of far reaching and of great benefit to the insuring public in the state of Missouri."

Recommendation was made that the circuit court discontinue the services of a custodian for the fund of about \$1,750,000 in the 16 2/3 percent rate case.

not be taken until more important measures in the legislature have been decided.

The brokers' directors discussed the international convention of insurance brokers to be held in Paris in July, naming R. H. Redmond, their president, as a delegate and recommending him to the National Association of Insurance Brokers to serve in the same capacity. President J. A. Mudd of the national group, Chicago broker, probably will delegate Mr. Redmond to attend.

## See Hope for Ultimate Adoption of Uniform Form

EXECUTIVES' BODY FOR IT

Parley in Chicago on Supplemental Contract Points Way to Leveling the Coverage Nationwide

With reasonably optimistic hope for the ultimate adoption of a uniform supplemental contract throughout the United States and possibly in Canada as well, the special meeting of insurance company and rating bureau representatives in Chicago adjourned after a two day discussion of practically all phases of the subject. The work of drawing a uniform contract which will harmonize with all viewpoints and state requirements was placed in the hands of a committee consisting of R. M. Beckwith, assistant manager Western Actuarial Bureau, chairman, David Hinckley, secretary rules and rates committee, Eastern Underwriters Association, W. F. Roembke, manager Explosion Conference, and J. D. Erskine, secretary Insurance Executives Association.

The Chicago meeting, which was presided over by F. A. Gantert, president Fidelity & Guaranty Fire, had no authority to adopt a form and was called at the suggestion of Paul Haid, president Insurance Executives Association, to see if the different sectional views could be reconciled. It is understood that eventually all regional representatives appeared willing to endorse a uniform form.

### Organizations Must Approve

The task before the committee is first to investigate legal and actuarial obstacles in the different states and devise a form which will avoid them and then to submit the proposed form to the different regional organizations. While both the committee and those in attendance at the meeting are hopeful, all realize that any one of a number of hurdles may upset the program.

The strongest factor for ultimate success, in the opinion of observers, is that the powerful influence of the Insurance Executives Association is squarely behind the plan. The presence of Mr. Erskine on the committee and the fact that all present at the meeting acknowledged Mr. Haid as the force behind it is evidence of this. Back of the attitude of the executives association is the dissatisfaction of buyers of insurance, particularly those operating on a nationwide scale, with the territorial variations in coverage.

### Name Still a Problem

Original reports that the term "extended coverage" would be adopted as the official title of the uniform form were premature. Nearly all fire insurance men agree that "extended coverage," originally used by the Chicago Board, is preferable to "supplemental contract," but the committee faces the problem of reconciling this or any other proposed title with legislation in several states calling for a "supplemental contract." This is one of the many points which will require thorough investigation before the committee can come to any conclusion.

The term "supplemental contract," in the opinion of attorneys, connotes a policy distinct from the fire insurance contract, and fear is expressed that courts can use this name as a ground for holding that the supplemental contract provides an amount of insurance covering windstorm, explosion and other perils distinct from and in addition to the fire insurance. The evident intention of the companies in offering the supplemental contract is to broaden the fire insurance policy to include other perils, but not to increase the amount of insurance. This, in the opinion of experts, is "extended coverage," not a "supplemental contract," and the com-

(CONTINUED ON PAGE 10)

Have you told your clients about the complete coverage available under the America Fore Comprehensive and Combined Auto policies?



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THE CONTINENTAL INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

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### *and Indemnity Group*

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President  
FRANK A. CHRISTENSEN, Vice-President

*New York, N.Y.*

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL



## AS SEEN FROM CHICAGO

### FRED DEUSS IS SECRETARY

Fred A. Deuss is made secretary of the Chicago Insurance Adjusters Association. He is associated with William Feiler, well known independent adjuster.

\* \* \*

### BOARD OUTING AT BIGFOOT

The annual golf tournament and outing of the Chicago Board is to be held at Bigfoot Country Club, Lake Geneva, Wis., June 8.

\* \* \*

### TAYLOR TO CHICAGO

While R. E. Vernor, manager fire prevention department Western Actuarial Bureau, is in Europe attending the Rotary International meeting, his duties in the Chicago office will be taken over by J. Burr Taylor. Mr. Taylor is regularly located at St. Louis, where he is special representative of the department.

\* \* \*

### FETE HUBBELL, CHRISSINGER

The staff of the National Inspection Company of Chicago staged a surprise party for their senior manager J. G. Hubbell, and their junior manager, H. B. Chrissinger. It was Mr. Chrissinger's 25 years' anniversary with the National Inspection Company and Mr. Hubbell's 28th. On a pretext the two were escorted to the home of Assistant Manager R. L. Thiele in Beverly Hills. At the dinner a desk lamp was presented to Mr. Chrissinger and a desk set to Mr. Hubbell.

\* \* \*

### WIESE TO OPEN OFFICE

Inasmuch as the Thomas T. North Adjustment Company of Chicago is giving up its fire insurance adjusting department, John D. Wiese, vice-president of the North company who has charge of that end, is establishing his own office in A942 Insurance Exchange and will

take over the fire adjusting business of the company. Associated with Mr. Wiese will be J. A. Thiebault, who has been connected with the fire loss department of the North company. Both Mr. Wiese and Mr. Thiebault were formerly connected with the adjusting office of Frank L. Erion.

Mr. North pioneered in automobile adjusting, being one of the first men to take up the work in a thoroughly scientific and logical way. He became interested then in the casualty end of adjusting and gradually enlarged his automobile work, taking on all casualty lines. As he puts it: "Casualty and automobile loss adjustments do not naturally mix with the adjustment of fire losses." The severance of relations between Mr. Wiese and Mr. North is done in a perfectly friendly way and Mr. Wiese thus has the opportunity of establishing his own office and will serve clients that have been built up in the North organization in their fire losses.

\* \* \*

### PACIFIC NATIONAL EXPANDS

Pacific National Fire of San Francisco is preparing to open a full-fledged Chicago and Cook county department in the Insurance Exchange building. Charles W. Ade, who has been assistant manager of Corroon & Reynolds in Chicago, will be the manager. A marine superintendent will soon be appointed.

President F. N. Belgrano, Jr., and Vice-President W. L. Wallace were in Chicago making the arrangements. Mr. Belgrano has returned to San Francisco while Mr. Wallace has gone to New York. He will return to Chicago about May 24.

The official opening will be June 15. Pacific National has had a small office in Chicago as the headquarters for Special Agent J. L. Chatterton who travels

several of the middle western states. Mr. Chatterton will continue to supervise the field outside of Chicago.

Mr. Ade has been connected with Corroon & Reynolds about 13 years. He was in New York, operating as agency superintendent in the western department for about four years and for the past nine years has been in Chicago. Previously he was connected with the Phoenix of London in its New York department, before that with the Hudson and Svea in the New York suburban field. Earlier he was in the loss department of the Queen and before that in the eastern department of the Atlas. He thus has had a broad experience in various departments of the business and in various fields.

The Chicago office will be in A1701-05 Insurance Exchange.

\* \* \*

### AGENTS, FIELD MEN MEET

The business development meetings last week in Oak Park, Ill., and on May 27 at the South Side Swedish Club, Chicago, complete introductory work of the program in Cook County. A meeting was held recently in Evanston for northern Cook county suburban agents, while the Oak Park and south Chicago affairs take care of agents in western and southern Cook county. About 160 agents and field men attended the Oak Park gathering.

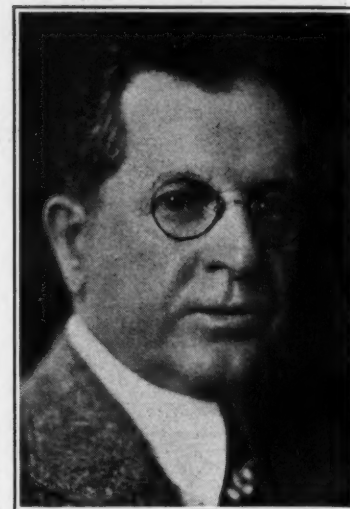
\* \* \*

J. Robert Johnson, Chicago broker and insurance radio commentator, spoke on Life Insurance Week on his program last Friday over Station WCFL in Chicago and will devote his time this week to the same subject.

### H. H. Reed Heads Marine Unit

Henry H. Reed, North America, was elected president of the Association of Marine Underwriters of the United States at the annual meeting. J. T. Byrne, Talbot-Bird & Co., is vice-president, and F. B. McBride, Fireman's Fund, is secretary.

## Hard Worker in the Texas Agency Movement



LYTLE W. GOSLING, San Antonio

Lytle W. Gosling, San Antonio, is vice-president of the Texas Association of Insurance Agents, and as vice-president is chairman of all membership work in the state this year. For the annual convention in San Antonio next week, he is serving as general convention chairman.

### Miscellaneous Notes

Kansas City, Mo., fire losses the first four months were \$189,698, compared with \$385,167 for the same period of 1936.

The Michigan department has licensed the New York Central Mutual Fire of Edmeston, N. Y.

# FIRE ALLIED LINES

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# SOUND STOCK INDEMNITY

*The age and reputation of an Insurance Company coupled with the character of its management are factors, which those entrusted with the property interest of others, take into consideration when insurance protection is selected with discrimination.*

## STATEMENTS OF DECEMBER 31, 1936

	Capital	Assets	Liabilities	Surplus to Policyholders
*UNITED STATES FIRE INSURANCE CO..... Organized 1824	\$2,000,000	\$35,079,074	\$11,830,468	\$23,248,606
*THE NORTH RIVER INSURANCE CO..... Organized 1822	2,000,000	25,371,376	7,371,161	18,000,215
*WESTCHESTER FIRE INSURANCE CO..... Organized 1837	1,000,000	20,027,789	7,414,698	12,613,091
THE ALLEMANNIA FIRE INSURANCE CO..... Organized 1868	1,200,000	5,747,614	1,773,100	3,974,514
*RICHMOND INSURANCE CO..... Organized 1907	1,000,000	5,312,205	1,546,273	3,765,932
WESTERN ASSURANCE CO., U. S. BRANCH..... Incorporated 1851	400,000**	4,682,863	1,644,494	3,038,369
BRITISH AMERICA ASSURANCE, U. S. BRANCH... Incorporated 1833	200,000**	3,208,276	876,723	2,331,553
SOUTHERN FIRE INS. CO., DURHAM, N. C..... Incorporated 1923	200,000	1,613,947	460,353	1,153,594

\*Company operates under Sections 130-1-2 of the New York Insurance Law.

\*\*Statutory Deposit—New York Insurance Law.

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FREEPORT, ILL.

PACIFIC DEPT.  
SAN FRANCISCO

SOUTHERN DEPT.  
ATLANTA

ALLEGHENY DEPT.  
PITTSBURGH

CAROLINAS DEPT.  
DURHAM, N. C.



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... the "Three R's" every Agent needs to study—insofar as a Company is concerned.



## PHILADELPHIA FIRE *and* MARINE INSURANCE COMPANY

HEAD OFFICE: 1600 Arch St., Philadelphia, Pa.  
CHICAGO OFFICE: 209 W. Jackson Boulevard  
SAN FRANCISCO (Fire) 425 Montgomery St.  
OFFICES: (Marine) 231 Sansome St.



## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### INSURANCE SOCIETY CEREMONY

The Insurance Society of New York held graduation exercises for those completing its brokers qualification course, May 20. S. P. Gilman, discussed "Professional Ethics of Insurance Brokers."

W. D. Winter, society president, awarded the certificates. The local brokers' association, directed by A. C. Goerlich, committee chairman in charge of the courses, arranged the affair.

\* \* \*

### WILL HONOR J. J. MAGRATH

The friends of J. J. Magrath, chief of the rating bureau of the New York state insurance department, who will retire July 1 to join the Chubb & Son agency of New York City, will give him a testimonial dinner at the Waldorf Astoria June 9. The committee in charge is headed by R. P. Barbour, Northern Assurance, chairman, and A. J. Smith of Dwight, Smith & Co., local agents, secretary. J. J. Hoey of Hoey & Ellison will be toastmaster. There will be five representatives of the insurance business to make short addresses. They are Col. F. D. Layton, National Fire; William Leslie, general manager National Bureau of Casualty & Surety Underwriters; A. J. Thatcher, counsel for marine insurance companies; W. H. Bennett, secretary National Association of Insurance Agents, and William Schiff, past president National Association of Insurance Brokers.

\* \* \*

### GET OUT INVESTMENT BOOK

Maynard, Okley & Lawrence, investment house, 61 Broadway, New York, has put out a book, "Insurance Stocks—An Analysis for Investors." The author is G. W. Carroll, Jr. The statistics with exception of a few small subsidiary companies are based on annual reports filed with the Connecticut department and as audited or accepted by the department. It gives historical statistics and background of the companies made largely from departmental examinations. The companies reported on are the Aetna Casualty & Surety, Aetna Fire, Aetna Life, American Surety, Automobile of Hartford, Boston, Connecticut General Life, Continental, Federal, Fidelity & Deposit, Fidelity-Phoenix, Glens Falls, Great America, Hanover Fire, Hartford Steam Boiler, Home of New York, North America, National Fire, Pacific Fire, Phoenix of Hartford, Security of New Haven, Travelers, United States Fire and U. S. Guarantee. The reports are very complete.

\* \* \*

### "IDEALISTIC" PLAN PROMOTED

The public projects insurance committee, which is an agency of the several brokers associations in New York, has taken new steps to get favorable action upon its plan for handling the insurance requirements of the New York 1939 world's fair.

Julius A. Cohen, chairman of that committee, has addressed M. N. Buckner, chairman of the executive committee of the fair, on the subject. Mr. Cohen recalled that the proposal had been submitted several months ago to Harold Hyer, insurance director of the fair. However, Mr. Cohen stated that he desired Mr. Buckner to give personal attention to it.

Inasmuch as the fair enterprise is a public project in fact, according to Mr. Cohen, its sponsors must see that no injustice is done nor favoritism shown in selection of insurance brokers.

In New York the choice of brokers is most difficult, he observed, because there are so many firms equally well equipped to serve. There is no need of differentiating between these firms if the proposal of the public projects committee is accepted. Such action would relieve the executive committee of the fair of tremendous political and personal pressure to influence the placement of its insurance. Mr. Cohen states that the in-

surance plan of the public projects committee is idealistic in its origin and practical in application. It is conceived on the theory that insurance treatment of public and quasi-public projects should be disassociated from political implication or personal preferences and placed on a high plane of public service.

Mr. Cohen announces the results of a survey made of the successful operation of local insurance boards throughout the country in the placing of insurance on public property.

"There is nothing new or startling in the plan of placing insurance for projects like the World's Fair through an organized group of local brokers," Mr. Cohen said. "In many cities, community enterprises financed by local taxes, bond issues or state and federal grants, have been insured through brokerage units consisting of the organized and representative insurance men of the vicinity. Insurance for the Texas state fair was handled through the Dallas Insurance Agents Association; plans to place the insurance for the San Francisco exposition in 1939 are under way by the San Francisco Insurance Brokers Association, which body represents the personnel of five associations in San Francisco and vicinity and functions for them in the field of public insurance programs; similarly, innumerable public operations such as bridges, harbors, piers, municipal buildings, and public construction projects are insured through local placement boards in Seattle, Wash.; Birmingham, Ala.; Oakland, Cal.; Jacksonville, Fla.; Middletown, N. Y., and many other communities."

\* \* \*

### DEATH OF BENNETT ELLISON

Bennett Ellison of the prominent local agency firm of Hoey & Ellison, New York City, died following several weeks illness. A notable and popular figure in local circles, Mr. Ellison served successively as secretary and as president of the New York Board, and at the time of his death was chairman of its fire patrol committee. He began in the agency line years ago, being then associated with Major White, president of the City of New York, which company the agency still represents. In the course of the years other companies entered the office, and to such result that the premium income of the agency in 1936 totaled \$738,675. J. J. Hoey, senior partner in the agency, is collector of the port of New York, at one time was a vice-president of the America Fore, having charge of metropolitan business.

\* \* \*

### INSURANCE BUILDING PLAN FADES

Decision of the Association of Casualty & Surety Executives and the closely related National Bureau of Casualty & Surety Underwriters to move from their present offices at 1 Park avenue, New York City, to quarters in the downtown insurance district, recalls the effort made some years ago to erect a structure in that city similar to the Insurance Exchange of Chicago, which would house all fire, casualty and marine insurance interests. The movement was handled by the late Clarence E. Porter, then assistant United States manager of the Commercial Union, who enlisted the support of many company executives in the project. Options were sought on property along Fulton and Gold streets, running through to Beekman, and architects' drawings were made of a suggested structure. In all, some \$15,000 was spent in working out the idea. Before it could be consummated, however, company after company lost its enthusiasm in the scheme. The Travelers bought a building of its own; the Home did the same, and others followed suit, so that today the chance of an insurance headquarters, despite its manifest advantages, is dimmer than the shadow of a dream.

The benefit of a centralized headquarter-



ters was recognized by fire underwriters and found expression in the erection of a 14-story structure at 80 John street, very central to the insurance district, and most convenient to company men from out of town. The building has served admirably the purposes for which it was designed.

#### SUIT OVER STOCK DEAL

A stock transaction of the Home of New York has resulted in a suit brought by four women stockholders in the supreme court in New York City asking for an accounting and the rescission of a stock deal through which they charged about \$3,000,000 was lost. The defendants include the Home, Home Fire Securities Co., Chase National Bank, Royal Bank of Canada and directors and former directors of the Home. The plaintiffs are Marion I. Davis, Jane Douglas, Eloise D. Arnold and Grace Thatcher.

The claim is made on May 10, 1935, the Home Fire Securities purchased 500,000 new shares of the Home stock, which, according to the petition, was purchased with \$2,500,000 loaned by the banks, and certain securities valued at \$8,500,000. The new stock, it is stated was deposited with the banks as security for the loan and interest on a previous debt of \$1,800,000 owed the banks by the Home Securities which was canceled.

Although the market value of the new shares was placed at \$13,000,000, the complainants assert, a total of \$10,500,000 was paid. The plaintiffs contend that certain of the individual defendants were financially interested in the Home Fire Securities and knew, or should have known, that the sale at that price was "inadequate and unfair" to the Home of New York and its stockholders.

#### Missouri Fund Custodians Charged with Clever Plot

A scathing denunciation of the manner of administration of the funds in the old 10 percent Missouri fire insurance rate restitution case was contained in arguments before the Missouri supreme court by Attorney-General McKittrick opposing allowances of fees to H. P. Lauf and L. H. Cook, custodians of the fund, and Gilbert Lamb, their counsel.

Lauf and Cook have been paid a total of \$55,000 in fees and now are getting \$500 a month. Lamb has received \$13,260 and is also on a \$500 a month allowance.

Cook and Lauf were awarded an additional fee of \$40,000 on March 3, and Lamb a fee of \$20,000. Lamb refused to accept the money until the appeal in which the attorney-general is interested had been determined.

#### Sees a Design

The attorney-general contended that the commissioners and custodians had conceived a scheme to insure the payment of their fees without objection or judicial review. They arranged for the full release and discharge of the insurance companies from any obligations for costs. The insurance companies, being discharged, could not object to any allowance the court might make. The three, instead of applying for compensation at the time the final judgment was rendered and before complete payments of restitution had been made, waited until the companies had paid into the court the final amount of restitution claimed due and then, on the theory the insurance superintendent had no further interest, applied for their compensation. Thus, the attorney-general observed, they had the insurance companies and the superintendent eliminated from the picture and "could help themselves."

In March the commissioners made refunds totaling \$5.11 whereas the expense of the office during the month were \$5,012 or a cost of \$1,000 to return \$1 to a policyholder.

#### Await License Bill Report

LANSING, MICH., May 19.—Leaders in organized agents' ranks are hoping for a report by the senate insur-

ance committee on the Weadock-Brooks bill to establish a rigid qualifications system for licensing of agents. Agents who have sounded out legislators say there is little opposition to the measure and they believed it would have an excellent chance of passage if reported to the floor. Immediate action is needed, however, to insure passage this session.

Another bill favored by agents, permitting the state administrative board at its discretion to place coverage on certain state property with private insurance carriers, emerged from the senate insurance committee and was quickly

passed, bearing an immediate effect clause.

The senate also approved a house bill permitting automobile mutuals to invest their surpluses in the same class of securities as are approved investments for stock companies. The latter bill was slightly amended, requiring house concurrence before it goes to the governor.

#### Stinson Visits His Office

HARTFORD, May 19.—Alfred Stinson, vice-president Automobile of Hartford, appeared in his office Monday for a short time. This was his first visit

there after several weeks of illness. He is recovering. His appearance was the signal for many happy greetings.

#### John Ashmead to Speak

John Ashmead, advertising manager Phoenix of Hartford, will address the Hartford Rotary Club next Monday. He will touch upon some aspects of the service of insurance to the public.

R. H. Harris of Mineral Point, Wis., a director of the **Darlington Mutual Fire**, has been made secretary to fill the vacancy caused by the recent death of Thomas Kirwan.

**BUT *how soon* WAS THE ALARM TURNED IN?**

**WHEN** fire breaks out—even in a sprinklered property—the fire department must be summoned instantly. But *who* will turn in the alarm . . . and *when*?

A.D.T. Supervision eliminates all doubt by making the sprinkler system an *automatic fire alarm*. The instant a sprinkler head opens, or a serious leak occurs, the fire department is automatically summoned direct to the premises . . . to help extinguish the fire . . . to turn off the water when the fire is out . . . to minimize damages by prompt salvage measures.

During the past ten years, fire and water losses in properties protected by A.D.T.-Supervised sprinklers have averaged less than three cents per hundred dollars of insurable values. A.D.T. Central Station

Sprinkler Supervisory and Waterflow Alarm Service is available in 350 cities; elsewhere, Waterflow Alarm Service is available with direct-to-fire department connection. Descriptive booklet sent on request.

#### A.D.T. SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE

Controlled Companies of AMERICAN DISTRICT TELEGRAPH COMPANY  
155 SIXTH AVENUE NEW YORK, N. Y.



**A NATION-WIDE PROTECTION SERVICE  
AGAINST FIRE, BURGLARY AND HOLDUP**



# The TOKIO

MARINE AND FIRE INSURANCE COMPANY, Limited

Established 1879

United States Fire Branch: 80 John Street, New York  
J. A. KELSEY, General Agent GEORGE Z. DAY, Ass't Gen. Agent

U. S. Statement December 31, 1936

PREMIUM RESERVE .....	\$ 2,062,920.87
OTHER LIABILITIES .....	718,094.12
SURPLUS TO POLICYHOLDERS.....	11,097,829.98
TOTAL ASSETS .....	13,878,844.97

Bonds & Stocks valued on New York Insurance Department Basis. Securities carried at \$623,635.21 in the above statement are deposited in various States as required by law.

Chicago Branch: 175 West Jackson Blvd.

Alfred J. Couch  
Manager Brokerage and Cook County Depts.

## the RELIABLE FIRE INSURANCE Company

• "Hitch your success" to the Reliable Star—stake your future in these days of progress to a fire insurance company famed for its cooperation with agents, its stability, and prompt payment of just claims. Our reputation makes selling a pleasure. Write The Reliable Fire Insurance Company — reputed for 72 years of service. Address—

Wm. F. Kramer, President  
E. J. Weiss, Secretary

An independent Ohio company with a current surplus to policyholders of \$1,109,305.69

### SPECIAL AGENTS

For Indiana C. R. Dobbins For Ohio Harry J. Favorite  
For West Virginia Fred C. Campbell For Michigan R. E. Metzger  
Finnell and Robinson



## COMPANIES

### Firemen's of Washington Is Now a Centenarian

A handsome historical volume has been issued by the Firemen's of Washington and Georgetown in the District of Columbia in celebration of the centennial of its founding. It was written by J. C. Proctor, chairman permanent committee on marking points of historic interest in the District of Columbia. There is a picture of the present home office and a portrait of President W. M. Hoffman.

The charter, dated March 3, 1837, was signed by President Jackson on the last day of his administration. James K. Polk signed it as speaker of the house and he later became president. Presidents Pierce, Johnson, Cleveland, Taft and Hoover have since signed amendments to the charter.

Organized by members of the various fire companies in the District of Columbia, the Firemen's had a charter provision that its stock could be owned only by firemen. This continued in force for some time.

By a 50 percent stock dividend, the Firemen's earlier this year increased its capital from \$200,000 to \$300,000.

### Fire Association Group's Figures

The Fire Association as of April 1 showed assets \$23,045,034, premium reserve \$9,118,409, capital \$2,000,000, net surplus \$10,953,029.

The Philadelphia National as of April 1 shows assets \$3,047,190, premium reserve \$517,934, capital \$1,000,000, net surplus \$1,367,349.

The Reliance Fire as of April 1 shows assets \$4,213,945, premium reserve \$886,539, capital \$1,000,000, net surplus \$2,092,681.

### Trouble in Two Spots Over Illinois Net Receipts Taxes

The fire companies are having trouble in two spots in Illinois over the so-called section 30 taxes, which are the levies on net receipts imposed by the county.

In Cook county, the well known tax ferret, H. B. Seely, filed a complaint against the deductions made by companies on account of expenses in the base for the 1936 net receipts taxes, payable in 1937. The board of appeals of Cook county held a hearing in Chicago Monday on this complaint. Attorney R. J. Folonig spoke for the companies and Seely argued his point.

In St. Clair county, the authorities have been attempting to build a fire under the companies by requesting Insurance Director Palmer of Illinois to revoke the licenses of those companies that refuse to pay the taxes on the basis that St. Clair county demands. Mr. Palmer was quoted as saying that he is very busy just now and will look into the matter in a week or so.

The companies regularly pay these net receipts taxes to the Illinois counties when the bills are equitably rendered. However, in St. Clair county, the authorities refuse to allow deductions for expenses of any kind. For many companies, the valuations have been established by the application of 40 percent gross premiums, without deduction for return premiums or expenses. Practically all of the companies have declined to make payment of such excessive taxes.

Most of the companies have now decided to remit to St. Clair county the amount of tax that is indicated by use of the formula that is applied in the other counties. The companies are adding to the 1935 tax a penalty of 12 percent.

The companies don't relish the idea

### Interest Is Now Intense in Fate of the Illinois Code Bill

TO COME UP NEXT TUESDAY

Placed on Special Order in House for That Time—Already Passed by Senate

The Illinois insurance code bill has been placed on special order of business in the lower house for next Tuesday morning, at which time amendments will be considered. The chairman of the insurance committee said there is a possibility the measure will be called up for passage the next day.

The course of the Illinois insurance code bill from day to day is being followed intently because it is reaching the critical stage. It has passed the senate, it has been reported favorably by the house insurance committee and is now receiving the attention of the house as a whole.

Although on the surface everything seems to be serene, those who are seeking its passage are constantly on the lookout for indications of trouble.

Interest of the insurance companies has narrowed down to a few points. The fire companies don't like the rating section.

### Fear Ban on Service Charge

Some of them believe that the wording of the section which was derived from the statute governing railroad rates, is inapplicable. Others fear that coupled with the anti-discrimination law, it is likely to lead to difficulty because of difference in insurance requirements and insurance procedure in Chicago and down state.

The casualty companies are manifesting considerable interest in the amendment that has been approved by the house insurance committee, which prohibits companies from making a service charge, surcharge, etc. This was undoubtedly designed to outlaw the \$1 service charge that is imposed in Chicago upon small fire insurance buyers.

The casualty companies, however, fear that such a provision would prohibit the loss constant charge under workmen's compensation policies and may interfere with the retrospective rating plan for compensation business. In the compensation business, the additional charges could very well be justified as part of the premium, but the companies feel that there will be the danger that they will be construed as surcharges. Should the bill creating a compulsory assigned risk plan for occupational disease and workmen's compensation risk, fail of passage, the provision outlawing surcharges might prohibit the companies applying an elastic formula to the rating of undesirable occupational disease and compensation risks.

of litigation, but they don't propose to capitulate to the demands of St. Clair county authorities.

### Caledonian Will Dedicate Its New Building June 2

United States Manager R. R. Clark of the Caledonian has sent out invitations for the formal opening of the new building of the United States branch at Hartford, June 2 from 12:30 to 2:30 p. m. On the evening of that day F. J. Cameron, general manager at the head office, is tendering a dinner to A. Wallace Cowan of Edinburgh, chairman of the board, and Maj. Gen. Sir Walter Maxwell Scott of Abbotsford, Melrose, deputy chairman of the board, in recognition of the new United States building. The dinner will take place at the Hartford Golf Club at West Hartford, preceded by a reception.

## Snapshots of Preventionists at Meeting in Chicago

The fire prevention activities of Canadian provinces and communities excited particularly favorable comment, at the annual convention of National Fire Protection Association in Chicago last week. Vigorous prosecution of arson in Ontario by Fire Marshal W. J. Scott and the active individual community programs in Canada last year were very effective.

\* \* \*

Ewing B. Fergus, Kansas Inspection Bureau, Wichita, brought three fire prevention posters designed by Kansas college students. He ran them in the poster contest which was decided at one of the evening sessions. Since no other college students had submitted posters, Mr. Fergus' entries took first, second and third prizes. He also brought a number of booklets and records showing some of the fire prevention week activities in Kansas cities.

\* \* \*

Ladies of the delegation enjoyed a continuous entertainment program that included several social gatherings and tours to points of interest in Chicago. On the ladies committee were Mrs. R. E. Vernor, Mrs. Eugene Arms, Mrs. F. C. McAuliffe, Mrs. R. E. Maginnis, Mrs. J. A. Neale and Mrs. C. R. Welborn.

\* \* \*

Dr. D. J. Price, United States department of agriculture dust explosion expert, celebrated his 25th anniversary of service with that department recently. He served as chairman of the N.F.P.A. farm fire prevention committee and took an active part in many of the discussions.

\* \* \*

An inspection trip through the Underwriters Laboratories was one of the highlights of the meeting. Particular interest was shown in a test being conducted on glass blocks of the type which are coming into rather wide use in building construction.

\* \* \*

The educational and entertainment program sponsored by the visual education committee, R. E. Vernor, chairman, included some news reel shots of large 1937 fires. Among them was a showing of the "Hindenburg" disaster. Men of the Chicago fire department and insurance patrol demonstrated rescue and salvage procedure.

\* \* \*

C. H. Mahn, Springfield Fire & Marine state agent in St. Louis, who is one of the most active fire preventionists among field men in the country, attended every session.

\* \* \*

The efficient manner in which President G. W. Elliott conducted meetings was praised by every one. Handling such a long program covering many items, in such a way that every one interested had a chance to say his say, requires skill.

\* \* \*

The "Fred A. Bunsen," Chicago fire department's new fireboat and pride and joy, drew many of the delegates. Members of municipal fire departments especially took advantage of the opportunity to see this latest piece of marine fire fighting equipment.

\* \* \*

Dr. Morton G. Lloyd of the Bureau of Standards in Washington, exploded the validity of the saying "lightning never strikes twice in the same place."

"The fact that lightning has struck in one place," he said, "is evidence of its increased liability to be struck again." Dr. Lloyd is chairman of the committee on protection against lightning.

\* \* \*

C. W. Johnson, assistant secretary at the North America head office, who is in

### FIRE INSURANCE MAN

Thoroughly experienced man, at present well connected wishes change. Now in charge fire department large office leading brokerage and agency firm. Reliable references. Replies held confidential.

ADDRESS F-78, NATIONAL UNDERWRITER

charge of that group's engineering department, was one of the most faithful of the convention goers. He followed all discussions closely. He is chairman of the important N. F. P. A. committee on automatic sprinklers.

\* \* \*

Most of the inspection bureau managers from the western states together with some of the district managers were present. J. K. Woolley, manager of the Washington Surveying & Rating Bureau, was on hand as usual.

\* \* \*

A large number of Chicago insurance people took advantage of the fact that the N. F. P. A. was meeting in their city to attend some of the sessions. The Chi-

cago Board engineers were instructed to attend as many sessions as possible.

\* \* \*

A. E. Hendricks of the Stevens & Hoppa agency of New York, who has charge of the engineering work of the Pearl, attended the N. F. P. A. sessions, with about a dozen engineers of his organization.

\* \* \*

Harold A. Knapp of Salem, Mass., associate manager Mutual Fire Inspection Bureau of New England, was on hand.

\* \* \*

About 35 inspectors of the Western Factory were in Chicago for the N. F. P. A. sessions. They attended those sessions in the morning and in the after-

noons and evenings got together with the management in group conferences. One afternoon they made a visit to the Minneapolis-Honeywell plant and another afternoon to the A. D. T.

\* \* \*

J. W. Riddell of Toronto, Canadian manager of the Eagle Star, attended the N. F. P. A. sessions.

### Miscellaneous Notes

G. R. Linwood has been appointed manager of the insurance department of J. P. Riedel & Co., Minneapolis.

The Insurance Girls Service Club of Los Angeles will hold its annual dance the evening of May 21 at Valley Park Country Club.



PHILIP D. GENDREAU, N. Y.

## The EYES Have It

SCIENTISTS tell us that lasting impressions are more easily made through the eyes than the ears. Whatever the radio industry may think of that, it is certainly undeniable that buying suggestions should be sent into prospects' minds via the eye as well as the ear. That's one reason why our pioneer market study in the insurance buying practices was reduced to chart form and made available to our agents in the sales portfolio, "Why ONE GOOD Insurance Man." If you haven't seen this, send for your copy — no obligation.

The fact that eye impressions are valuable is one

reason why we urge agents to advertise. If before and after your calls — regularly the year round — your prospects and clients read about your service and about the secure, reliable insurance you offer, the lasting success of your agency is more nearly assured.

But we do more than urge you to advertise. We help you. Have you seen our booklets, "Prospect and Mailing Lists" and "Mail Advertising for Local Agents"? You'll find them valuable and practical for your agency. Write on your agency stationery. You won't be obligated in the slightest.

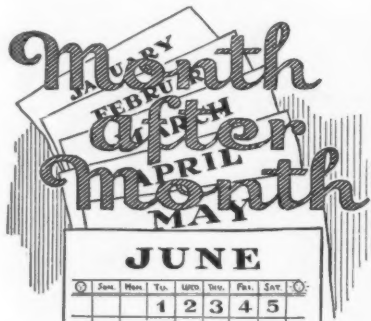
The  
LONDON ASSURANCE  
The  
MANHATTAN  
FIRE AND MARINE INSURANCE COMPANY  
The  
UNION FIRE  
ACCIDENT AND GENERAL INSURANCE COMPANY  
Ninety-Nine John Street, New York





## NATIONAL UNION FIRE INSURANCE COMPANY

Pittsburgh, Pa.



A  
Good  
Agency  
Company

### U. S. Judge Hears Pleas in the MLU Bankruptcy Case

#### QUESTION OF JURISDICTION

Attorneys Argue on Whether Liquidation Should Be by Federal Court or O'Malley

KANSAS CITY MO., May 19.—The question of whether Manufacturing Lumbermen's Underwriters is to be liquidated in federal bankruptcy court or by Superintendent O'Malley, under jurisdiction of the state court, was argued before Federal Judge Reeves, who then took the matter under advisement.

Ten former subscribers at the exchange are seeking to have MLU adjudicated an involuntary bankruptcy. Representing them are A. J. Granoff, John Madden and Daniel V. Howell.

Attorneys for V. B. Coates, attorney-in-fact for MLU, and attorneys for O'Malley are seeking to get the involuntary petition in bankruptcy dismissed. Representing Coates were Charles M. Howell, Jr., Floyd Jacobs and Scott Timmons. Representing O'Malley were Harry Jacobs, Terrence O'Brien and J. F. Allebach.

MLU is an insurance company and therefore is excepted under the bankruptcy Act, C. M. Howell, Jr., asserted. It doesn't matter what it is called, the activities test clearly indicates that it is in the business of insuring.

Judge Otis last December held MLU to be not a juristic entity, Harry Jacobs pointed out, and therefore it cannot be adjudicated bankrupt.

#### O'Malley Controls Assets

Even if the federal court assumes jurisdiction, the superintendent has fee simple title to every asset of the exchange under the state statute, and there would be no assets over which the federal court could assume jurisdiction. This point was made by Mr. Timmons.

Mr. Granoff, asserting that there is a real distinction between an involuntary and a voluntary adjudication in bankruptcy, admitted that those he represented must stand or fall on the Judge Sanborn decision in the case of Minnesota Underwriters.

Madden asserted that the state's attempt to control the liquidation of a company has no effect on the susceptibility of the company to involuntary adjudication in bankruptcy.

In brief, attorneys for the petitioners argue that the reciprocal is an unincorporated company within the meaning of the federal bankruptcy act and therefore is subject to involuntary bankruptcy; that the exemptions in the bankruptcy act do not effectively exempt a reciprocal exchange because it is not a corporation; that Judge Sanborn, in passing on the case of the Minnesota Fire Underwriters, held it could be adjudicated an involuntary bankrupt, and the statutes of Minnesota and Missouri are almost identical and the character of the two concerns is almost the same; that Judge Otis' decision in a voluntary bankruptcy proceeding is not applicable to an involuntary proceeding because Otis was passing on the right of the exchange and the attorney-in-fact to file a voluntary petition.

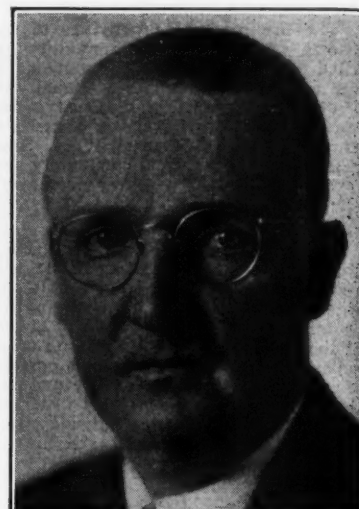
### Western Loss Association to Have Forms Committee

The Western Loss Association at its meeting in Chicago made plans for appointment of a permanent committee of five to work in consultation with various organizations in charge of changes in forms, to consist of three executive loss men and two to be chosen by the Underwriters Adjusting, Western Adjusting and Cook County Loss Adjusting. The loss men's suggestions on revisions in the supplemental contract, considered at a meeting there last week

## New Pacific Board Officers



RUSSELL L. COUNTRYMAN



H. F. MILLS

SAN FRANCISCO, May 19.—Russell L. Countryman, Pacific coast manager Norwich Union, was elected chairman executive committee of the Pacific Board Tuesday. He was elected to the committee at the 1936 annual meeting and in addition has served as chairman of the schedule committee and a member of the southern California committee during the past year.

H. F. Mills, Pacific Coast manager of the Aetna Fire, was elected vice-president of the Pacific Board at the

annual meeting in Del Monte. According to precedent, he will be elevated to the presidency next year. He recently completed 25 years in the service of Aetna Fire. He has been in the business 39 years, starting with the Pennsylvania Fire in San Francisco as an office boy. He went with the Aetna Fire as special agent in Salt Lake City in 1912. Six years later he became agency superintendent, in 1920 assistant general agent, then general agent and in 1930 Pacific Coast manager.

### Savings Banks Warned to Adjust Cover to New Cost

Not only should the mutual savings banks for their own protection be vigilant to see that insurance protection is increased to run with increased building costs, but also for the protection of the home owners, according to the insurance committee of the National Association of Mutual Savings Banks, which reported at the recent annual meeting of the association in New York. The committee suggested that mutual savings banks have an obligation to assist and guide home owners, "especially in the protection of such equity as they may have."

The committee urged watchful care in respect to current and future building cost, "so that we may guard against the possibility of not being sufficiently and adequately covered in the event of loss." A mortgage is no more valuable than the insurance resting on the building, the committee pointed out.

The committee touched on the matter of fire insurance rates. It is impossible, according to the committee, to make a recommendation or study of the rate structure nation-wide and the committee advised the insurance committees of state associations to study the question.

of representatives of various boards and rating organizations, were adopted.

The association also went over the final draft of the recommended procedure for adjusters and this will be published soon, President B. E. Moreau, St. Paul Fire & Marine, said. The Fire Companies Adjustment Bureau, Western Adjustment, Cook County Loss Adjusting and Underwriters Adjusting are cooperating in preparing this booklet, which will go to companies and branch offices as well.

A committee was named to arrange for the June outing and dinner, consisting of Harry Ferrers, Springfield Fire & Marine; J. A. Shea, Aetna Fire, and Mr. Moreau. Another committee was chosen to canvass the membership

### Sues to Recover for Strike Loss; No Physical Damage

KANSAS CITY MO., May 19.—Alleging loss of \$3,000 due to "riot attending a strike" at its plant here March 15 to April 7, the Gernes Garment Company, 2617 Grand avenue, has sued the Continental for that amount. Gernes had a \$50,000 fire policy and supplemental contract.

There was no rioting inside the plant and no physical damage was done. The company is suing for lost time—the plant was forced to shut down entirely two days and was unable to operate at full capacity the remainder of the strike period; for loss due to decreased efficiency of employees and the consequent reduction in production; for legal expense connected with the strike, etc.

Members of the International Ladies Garment Workers' Union "sat down" in the lobby of the building, in which Gernes and two other garment companies are located, to prevent anyone entering the three plants. There were numerous disturbances as pickets clashed with employees. It was largely a women's strike.

Continental points to the wording of the supplemental contract which says that "the coverage of this policy is extended to include direct loss or damage by . . . riot . . ." Also mentioned is the last paragraph, and the definition of "riot," which "shall include direct loss from . . . riot attending a strike, insurrection and/or civil commotion."

Company people have been taking the position there is no liability under the supplemental contract when a strike occurs unless there is physical damage done in the midst of fighting.

The Gernes Company contends that its loss was direct and substantial and that it was caused by "riot attending a strike." The case is to come up in the September term of circuit court.

situation, consisting of M. D. Looney, Hartford Fire; Harry Clark, Providence Washington, and O. R. Voss, Firemen's.

## New President



THOMAS G. REDDEN, Greensboro, N. C.

The new president of the North Carolina Association of Insurance Agents, Thomas Gresham Redden of Greensboro, started with the Johns-Manville Company, being with that concern for 10 years. He was engaged in the contracting business later, jobbing and contracting of roofing materials and sheet metal. He became very much interested during this time in casualty and fire insurance because of the fireproof materials and safety appliances that the Johns-Manville Company handled and for which he was later an independent contractor. In 1923 he had a severe nervous breakdown and had to give up business for five years. When he recovered his health he decided to enter insurance and settled in Greensboro. He bought two agencies and began the work 11 years ago. He has been very active in the North Carolina Association of Insurance Agents and served last year as vice-president.

## Michigan Auto Writers in Rate Stabilization Pact

LANSING, MICH., May 19.—Representatives of a number of Michigan automobile-writing carriers—stock, mutual, and reciprocal—held a conference here at which a tentative agreement was reached relative to stabilization of the rate situation in the state. It appeared to be the consensus that a "gentlemen's agreement" regarding rates and future rate-making would be preferable to enactment of a rigid automobile rate control law as contemplated through a substitute bill under consideration of the senate insurance committee.

In view of the progress made at the meeting today it is believed probable that the objectionable bill, a substitute for the Callaghan-Palmer bill introduced early in the session and designed to give the insurance commissioner rating control over all types of carries will be permanently pigeon-holed.

W. E. Robb, secretary Citizens Mutual Automobile of Howell, was reported to have presided at the session. Another meeting is understood to be scheduled for June 3.

Several agents were invited to sit in on the conference although they did not participate.

### WATCH COLLISION ISSUE

LANSING, May 19.—While there has been no definite action on the part of the Michigan Association of Insurance Agents or the western branch advisory committee of the National Automobile Underwriters Association toward conferring on the recently ordered 25 percent increase in auto collision rates,

agency leaders are looking for some development soon. It is reported some agencies are refusing to write business on the higher rate basis in anticipation of a suspension of the order or some alteration in it. The Lansing association called upon the state association conference committee to demand a conference.

## Milligan Left \$350,000 Trust

HARTFORD, May 19.—Edward Milligan, president of the Phoenix, who died April 30, made his two sisters, a niece, and a nephew the principal beneficiaries in his will.

Mary C. Milligan and Helen S. Milligan, both of Cynwyd, Pa., each were bequeathed three-twelfths of the income from a \$350,000 trust fund. Francis B. Milligan of Cynwyd, a niece, was bequeathed two-twelfths of the income, and Paul R. Wilson of Louisville, a grandnephew, a twelfth.

Other bequests included \$10,000 to the Newington (Conn.) Home for Crippled Children, \$7,500 to the Hartford Community Chest and \$5,000 to Trinity College.

A. G. Swearingen, 41, president of Swearingen & Co., Charleston, W. Va., agency, died there from pneumonia.

## Chicagoan Was "Salesman" for First Insured Motorist

The advertisement of the Travelers companies in the inside cover of the Automobile Number of THE NATIONAL UNDERWRITER brought back boyhood memories for J. M. Clark, executive special agent New York Underwriters, Chicago. In fact, the advertisement subject was the indirect cause of his entering the insurance business.

According to the Travelers account, a doctor, T. J. Martin of Buffalo, first proposed automobile liability coverage back in 1897. The physician, an owner of an electric "horseless carriage," wanted insurance because he feared some irate driver of a buggy whose horse ran away when the new, fangled contraption went by would sue him.

The doctor was interested in automobiles as a hobby and had an agency for the Electric Vehicle Company. Mr. Clark, then a boy, was office boy, janitor and chief salesman, the best part of the job being that he had to drive the car around town to arouse interest. This made him the most envied youth in the community. Mr. Clark said he felt very proud dashing along at as high as 30

miles an hour. The car was powered by electricity and had a hand lever for the steering wheel and a hand operated brake.

However, the agency did not prosper and Dr. Martin discontinued it. This left Mr. Clark without a job and he eventually entered insurance. When he saw the advertisement, he wrote to R. D. Safford, vice-president of the Travelers Fire, and told him of the early acquaintanceship.

## Interest in New Association

Considerable interest among companies in the newly organized National Association of Independent Adjusters, formed in Kansas City last month, is reported by the group's officials. The executive committee will meet in the latter part of this month to discuss membership requirements and a code of ethics.

The association was formed by 35 independent adjusters from 15 states, with L. A. Gouldman, Little Rock, and J. R. Hanrahan, Chicago, being elected president and first vice-president, respectively.

H. A. Funck, office manager of Selbach & Deans, has returned to his offices in San Francisco after two weeks in the hospital, where he underwent a minor operation.



## STABILITY ■ SERVICE FAIR TREATMENT

"Stability" is the prime requirement of any institution which promises to pay. The Ohio Farmers statement for 1936 shows a financial position unexcelled in its almost ninety years of operation. We will gladly send you a copy upon request.

## OHIO FARMERS INSURANCE COMPANY

Chartered 1848

LeRoy



Ohio



## NEWS OF FIELD MEN

### Spencer Is Virginia President

**Named Head of Stock Fire Insurance Field Club There at Its Annual Meeting**

F. H. Spencer, special agent Springfield Fire & Marine, is the new president of the Stock Fire Insurance Field Club of Virginia. He succeeds J. N. Jacobs, Commercial Union group, who had filled the office for two years. Mr. Spencer moved up from the office of vice president. Louis E. English, Richmond general agent, succeeds Mr. Spencer as vice-president. R. F. Rushin and A. C. Word were reelected secretary and treasurer respectively. New members of the executive committee are: H. M. Witt, J. N. Jacobs, C. T. Lloyd and O. B. Roberts.

In his annual report, President Jacobs said: "Our mutual rule has been lived up to practically 100 percent, but I do believe that we have a few subterfuge agencies in Virginia that should be cleared and in all cases where we hear of one it should be reported to the officers of the club."

"Recently, the Virginia rating bureau issued instructions reducing rates on certain classes, some of these classes being most unprofitable. I strongly recommend that a committee be appointed to confer with E. W. Spencer, manager of the bureau, and request him to appear at our next meeting to explain these new rates to us. I would also like to ask this committee to find out why the bureau cannot issue a more simplified rate manual for automobiles, such as are used in other jurisdictions. The one we have now is quite complicated and agents are naturally bringing it to the attention of all special agents."

### New Field Organization in Western Pennsylvania

The Field Men's Association of Western Pennsylvania has been organized at Pittsburgh. There are 85 special agents representing Eastern Underwriters Association companies that are members. Paul J. Mullen, Phoenix of London, has been elected president; Harry Burkhardt, Security of New Haven, secretary; William Van Iderstine, Northern of England, treasurer.

The executive committee consists of F. W. Sippell, North America; John Satter, St. Paul F. & M.; Carlton Timberman, Fireman's Fund; Walter Volbrecht, Fire Association, and Edward Hogdon, Camden Fire.

Frank Meisel, Pennsylvania Fire; Walter Bell, Continental, and George Staff, Royal Exchange, are members of the membership committee.

The purpose of the organization is largely to stimulate interest and promote the activities of stock companies.

### Hupp Named as New Head of Heart of America Pond

KANSAS CITY, May 19.—J. C. Hupp, Security of New Haven, was elected most loyal gander of the Heart of America Blue Goose at the annual meeting here. F. D. Hawkins, Western Adjustment, went in as supervisor; A. H. Notton, North British, as custodian; Merle O'Dell, America Fore, as guardian; Finton Hume, attorney, as keeper, (reelected); and O. D. Cox, American of Newark, as welder.

Initiates were Cecil McGee, National of Hartford; Jack Naismith, Western Adjustment, son of the inventor of basketball, and K. L. Hingst, special agent American, under Mr. Cox.

M. K. Nelson, past most loyal deputy grand gander of Topeka, and How-

ard Searles, past most loyal gander of the Kansas pond, were guests.

A. F. Nelson, New York Underwriters, retiring most loyal gander, and H. L. Kraus, America Fore, were named delegates to the grand nest, alternates being J. R. Curran, Chicago office New York Underwriters, and Tom McCaffrey, Home of New York.

### Pearl Appoints Simmons to the New England Field

The Pearl-American fleet has appointed F. A. Simmons to assist H. L. MacLean in the New England field. Mr. Simmons started his insurance career with the Factory Association in 1919 and since that time has been connected with the National Fire, the North America and the Scottish Union & National. He has been with the latter company since 1928 as home office special agent, having charge of field activities in western Massachusetts and Connecticut.

He will be associated with Mr. MacLean, New England representative, and will concentrate his efforts at present on development of business and agencies in western Massachusetts and Connecticut. Mr. Simmons will be located in Hartford.

### F. D. Gillespie with General

Fred D. Gillespie, who was connected with the Rankin-Benedict Underwriting Company of Kansas City from 1931 to September of last year, has joined the General of Seattle to travel western Missouri and Kansas. His headquarters are in the New York Life building, Kansas City, Mo. Prior to his connection with Rankin-Benedict, he was connected with Lansing B. Warner, Inc., of Chicago. His work with both organizations included direct selling, inspection, engineering and servicing.

From 1925-28 he was with the Standard Accident and Detroit Fidelity & Surety. He is a graduate of the University of Illinois.

### Kentucky Field Meetings

The Kentucky Fire Underwriters Association will meet at French Lick, Ind., June 15-16, planning to complete the meeting so that members can return to Louisville, for the Kentucky agents' meeting June 17-18. Speakers will include Wallace Rodgers, assistant manager Western Underwriters Association, and E. D. Lawson, Fireman's Fund, Chicago. Both will later address the local agents at Louisville.

This will be the semi-annual meeting of the Fire Underwriters Association. The Kentucky Fire Prevention Association and Kentucky Blue Goose will hold their annual meetings at that time.

### Mallory With Scottish Union

E. M. Mallory, Jr., has been appointed special agent in the District of Columbia, Virginia and North Carolina for the Scottish Union & National group. Mr. Mallory, who has had extended experience in the field he will supervise, has established headquarters in the Richmond Trust building, Richmond.

### Will Meet at Saranac Inn

The Underwriters Association of New York State will hold its annual summer meeting July 6 at the Saranac Inn on Upper Saranac Lake. The executive committee will meet there the evening of July 5.

### Indiana Field Meetings

The annual meeting of the Indiana Fire Prevention Association will be held at the Broadmoor Country Club, northwest of Indianapolis, June 14, in the morning. In the afternoon there will be

golf and other sports, sponsored by the Indiana Blue Goose, with a banquet in the evening.

The annual meeting of the Indiana Fire Underwriters Association will be held at Lake Wawasee June 24-25.

### North British Texas Change

Don L. Chapman has been appointed Texas state agent and L. W. Blann, special agent, by the North British & Mercantile. Mr. Chapman succeeds C. J. Williams who has gone into the general agency business. Mr. Blann has been senior underwriter in the North British southern department. Their headquarters are in the First National Bank building, Dallas.

### Will Make Trip to England

Reginald Long, British Columbia special agent of the Aetna Fire and World Fire & Marine, will celebrate his 21st anniversary with the company by making a trip to England.

### Bryan Returns to Arkansas

C. O'Neill Bryan, former special agent in Arkansas with Trezevant & Cochran and later assigned to Texas, is returning to Arkansas. A. E. W. Barrett, who has been state agent in Arkansas for the general agency, returns to his home field in north Texas with headquarters in Dallas.

### Death of Roy Wiselogle

Roy Wiselogle of Memphis, special agent of the Rhode Island Bankers & Shippers, Resolute Underwriters, Pacific and Metropolitan Assurance Underwriters in Arkansas and Tennessee, died in his home city. He had been for 20 years or more in the field. For a long time he was associated with the general agency firm of W. L. Nelson & Co. of Memphis.

### Missouri Field Meetings

The annual meeting of the Missouri Fire Underwriters Association will be held at Pla-Port, Lake of the Ozarks, June 2. The Missouri Fire Prevention Association will hold its annual meeting at the same place, June 3. There will be a get-together dinner on the evening of June 2.

### C. J. Beal with Royal-L. & L. & G.

Charles J. Beal, now with the Illinois Inspection Bureau, has made a connection with the Royal-Liverpool groups as production engineer with headquarters in Chicago. He takes the place left vacant by H. Fox, who resigned recently to go into the lumber business. Mr. Beal is well equipped for the work. He has been with the inspection bureau about nine years. He was a scholarship student at Armour Institute of Technology in the fire protection engineering course.

### John Carroll With Scottish

John P. Carroll of Denver, who travels the Colorado field for the Commercial Union fleet, resigns to become state agent of the Scottish Union & National and American Union in the Rocky Mountain territory.

### News Man San Francisco Speaker

B. G. Wills, vice-president of the Fireman's Fund Indemnity, was chairman at the luncheon of the San Francisco Blue Goose, May 17, when John Thompson, foreign news editor San Francisco "News," discussed "Latin America Through the Eyes of an American Newspaper Man."

### Field Notes

W. E. Sherwin, father of C. W. Sherwin, Missouri state agent of the Agricultural, died at Watertown, N. Y.

M. B. Yager, Indiana state agent Bankers & Shippers, has removed his headquarters from South Bend to the Inland building in Indianapolis.

### R. U. Wright to Texas as Eugene Bullock Retires



EUGENE BULLOCK

R. U. Wright will on July 1 be transferred from Louisiana to north Texas as special agent of the New York Underwriters, with headquarters at Dallas. He will succeed Eugene Bullock, long state agent and one of the veterans in the field, who will retire to well earned leisure. C. E. Johnson, now Mr. Bullock's assistant, will as special agent continue as aid to Mr. Wright. Mr. Wright's successor in Louisiana has been chosen and will be announced later.

Mr. Bullock is one of the best known and most esteemed field men in Texas and in his years in the state has been of material aid in upholding correct underwriting practices. Mr. Wright, who will be senior in the north Texas territory, was assistant to Mr. Bullock for ten years prior to his transfer to Louisiana in 1932.

### Complete Survey of State Fire Marshal Situation

Civil service plays little part in operation of state fire marshal offices, a recent survey of the fire marshals' section of the National Fire Protection Association revealed. In nearly every state, the marshal is appointed by the governor, with Maryland the outstanding exception. There the deputy insurance commissioner is fire marshal, and is appointed by the commissioner under civil service rules from a list furnished by the employment commissioner of the state. Civil service provisions apply to fire marshal departments in five provinces—British Columbia, Manitoba, Ontario, Quebec and Saskatchewan.

Average term in office is considerably higher in Canadian departments, as compared to those in this country. Excluding marshals now in office, 91 state fire marshals averaged 4.9 years' service; 12 provincial marshals served tenures averaging nine years. Average length of service of employees under marshals was also considerably higher in Canada than in the United States.

At least 27 of the 34 states and nine provinces having fire marshal departments finance the offices by taxing fire companies doing business there. Some states get the money from the general revenue, as provided in the model fire marshal law advocated by the fire marshals' section.

Personnel of departments ranges from one to 44, with an average of 10. Average salary of all fire marshals is \$3,520, with the Canadian average \$4,150.

The First Investment Company of Bartlesville, Okla., has purchased the Gilmore Insurance Agency. The office is at 106 West Fourth street. J. J. Quinn is manager.

## American States' Financing Plan Making Strides

The experiment of the American States of Indianapolis, the well known automobile specialty company, in operating a subsidiary for the financing of purchase of automobiles, is being watched with much interest by insurance people.

In March, American States financed about \$100,000 of automobiles. The insurance premiums on these cars amounted to \$12,000. This year, American States expects to finance about \$1,000,000 of automobiles.

On these cars that are financed, American States writes fire, theft and either \$25 or \$50 deductible collision. In all but a few cases the company also gets the public liability and property damage coverage. It instructs the agents to go after the third party coverages. If there is some special reason for not placing those lines with American States, then the company does not insist. For instance, if the motorist is covered under a fleet policy, then his insurance is not disturbed.

### Period of Coverage

All coverages are written for the period of the financing, be it a year, 18 months or two years. Thus the motorist has one policy, with one expiration and has the advantage of agency service.

Agents are being instructed to make inventories of their prospects. In the first place, the agents make a list of their insured. They are told that about one-third of these will be purchasing a new car in any particular year. The financing facilities are made known to these assured by direct mail literature and by personal calls. The agent is advised to have a credit report made some time in advance of the actual purchase of the car. This can then be passed upon and when the assured is ready to buy, the American States subsidiary sends its draft and the automobile dealer is taken out of the picture.

American States is introducing its financing arrangements throughout its territory just as rapidly as experienced financing men can be put on the job.

Only a few companies have gone into the business of financing automobile purchases and the American States is apparently making the biggest drive for such business of any of the companies. The Chicago Motor Club operates a financing company. Lumbermen's Mutual Casualty has one and the General of Seattle does some financing of automobile purchases on the coast.

### Can't Hold the Companies

LINCOLN, NEB., May 19.—The state supreme court holds, in Naeve vs. National Security and Concordia, that a contract under which it impounds the net earnings of an agency delinquent in payment of balances does not make the company a partner and liable for the wrongful acts of the agency, resulting in loss to a third party. The agency operated by Thomas E. Shea and Henry C. Dross at Omaha had become heavily indebted to the two companies, and an agreement was entered into by which all agency earnings were deposited in a bank from which nothing could be drawn except on checks countersigned by the companies, and all earnings above a stipulated salary, rent and office expenses were to be turned over monthly.

The court says the relation thus established is one of loan and security between a creditor and debtor and in the absence of proof of intention does not constitute the creditor an owner or partner in the business. The companies had canceled policies the agency had written on Naeve's amusement park, and the business was then placed through a New York broker in companies that, when the loss occurred, were non-existent or bankrupt. Naeve secured judg-

ment against the two agents for \$10,697, but was unable, in two appeals, to make the companies liable.

### N. Y. Board Annual Meeting

NEW YORK, May 19.—At the annual meeting of the New York Board today, the slate presented by the nominating committee was adopted save that A. J. Smith was substituted for the late Bennett Ellison, as chairman of the committee on fire patrol, and was in turn replaced upon the committee on fire prevention and water supply by Clarence McDaniels. Lack of a quorum prevented a meeting of the special committee recently empowered to select an executive secretary, the intended gathering being set ahead until Friday.

### Roy Eblen in Chicago Address

Roy E. Eblen, vice-president Phoenix of Hartford group, addressed the meeting of the Inland Press Association in Chicago this week on "Standards of Comparison in Insurance."

### Lange on Eastern Trip

A. P. Lange, insurance buyer for Hale Bros. department stores in San Francisco, will stop off in Chicago May 22 to visit old friends and former business associates in the city before going east

to attend the Atlantic City convention of the insurance division of the American Management Association, and to visit home offices in New York, Providence and Boston.

### I. M. U. A. Annual Meeting

NEW YORK, May 19.—The program for the annual meeting of the Inland Marine Underwriters Association at Huntington, L. I., May 25-26 is announced. The first afternoon will be given over to golf, the low net score winning the secretary-manager's cup for one year. Committee reports and elections will take place at 7 p. m. May 25 followed by dinner and bridge. The golf tournament will be continued the second day.

### Mason Lectures in Pittsburgh

PITTSBURGH, May 19.—Jarvis Woolverton Mason, advertising counsel London Assurance, addressed the agency training course of the Insurance Club of Pittsburgh on insurance selling and advertising and insurance from the client's point of view. This course is accepted by the Pennsylvania commissioner in qualification for an agent's license.

S. N. Kearns has been appointed Brooklyn agent of the Anchor of Providence, affiliate of the Providence Washington.

## Georgia State Insurance Returns to Local Agents

ATLANTA, GA., May 19.—Insurance on the property of the state will be placed some time this week, it was announced by Governor Rivers. The lines will be apportioned to agents throughout the state and the insurance will be written for three years. The property will be written under a schedule form and the amounts have been reclassified and new rates issued. State house officials claim that about \$17,000 will be saved the state in premiums under the new rates and plan.

### Self-Insurance Plan Fails

The previous administration attempted to carry the insurance risk on a self insurance plan, which did not work out. Governor Talmadge replaced the state's insurance in regular admitted companies. This action was taken only a few days before his term of office expired.

Governor Rivers, shortly after his inauguration, canceled all of his newly placed insurance, and demanded the return of whatever insurance premiums had been paid. State officials have been working on the new plan since that time.

# Here Comes the Bride!

In May? Yes, in May—for the alert Insurance salesman!  
Next month, all of the other Agents will be camping on the  
doorstep—awaiting the return from the honeymoon.

Our Bride-Elect Sales Plan sells the new households *before*  
the big event—with an approach that appeals. Ask for Tested  
Selling Plan No. 172.

THE AMERICAN GROUP, NEWARK, N. J.

Fire Companies

THE AMERICAN

THE COLUMBIA

THE DIXIE



# Illinois 1936 Fire Premiums and Losses

Results in the fire end in Illinois last year as presented in the annual statements to the insurance department are shown in the tabulation below. In this table the letter "F" indicates fire only, and "T" indicates total, including side-line or miscellaneous coverages. Foreign companies of other countries are segregated in the table. The figures, on a net premiums (less reinsurance) and net losses paid basis, are:

## U. S. Stock Companies

	Net Premiums	Net Losses
Aetna Fire .....	903,597	362,734
Agricultural .....	238,122	515,503
Albany .....	21,063	100,151
Allemania .....	65,257	144,657
Alliance, Pa. ....	132,356	12,136
Allstate Fire ....	181,209	13,069
Amer. Alliance ....	66,176	58,123
Amer. & Foreign ..	100,560	86,926
Amer. Automobile ..	243,284	18,277
Amer. Central ....	101,517	36,145
Amer. Druggists ..	45,950	42,816
Amer. Eagle .....	96,208	11,851
Amer. Equitable ..	130,295	14,983
Amer. Home .....	360,055	68,031
American, N. J. ...	1,193,936	40,509
Amer. Reserve .....	85,414	48,000
American Union ..	35,852	16,819
Anchor .....	14,703	48,042
Assoc. F. & M. ....	323,802	59,100
Automobile .....	721,903	135,620
Balt. Amer. ....	72,803	161,560
Bank. & Ship. ....	163,634	66,457
Birmingham, Ala. .	12,513	6,817
Birmingham, Pa. .	89	21,907
Boston .....	121,697	331,060
Buffalo .....	167,384	36,761
Caled.-Amer. ....	14,989	85,414
California .....	16,398	35,852
Camden .....	154,979	41,907
Capital .....	22,012	14,703
Central, Md. ....	25,158	31,743
Central Union ....	32,376	292
Citizens, N. J. ...	23,165	873,088
City of N. Y. ....	92,145	1,193,936
Columbia, O. ....	40,863	78,418
Columbia, N. J. ...	43,217	85,414
Commerce .....	87,602	35,852
Commonwealth ..	174,641	41,907
Concordia .....	119,533	163,811
Connecticut .....	148,574	14,989
Continental, N. Y. .	1,030,011	16,398
County Fire .....	139,567	154,979
Detroit F. & M. ...	32,342	251,238
Dixie Fire .....	17,772	40,863
Dubuque F. & M. ...	243,170	52,400
Eagle Fire, N. Y. ...	23,345	43,217
East & West .....	29,169	47,885
Empire State .....	40,116	87,602
Employers Fire ..	64,069	82,365
Equitable F. & M. ...	121,261	40,105
Equity Fire .....	16,424	55,104
Eur. Sec. F. & M. ...	82,588	174,641
Excelsior .....	197,499	119,533
Federal, N. J. ....	3,939	148,574
Fid. & Guar. ....	181,335	250,434
Fid.-Phenix .....	848,020	390,592
	1,190,892	380,044

	Net Premiums	Net Losses
Fire Assoc. ....	312,702	139,010
Fireman's Fund ..	361,662	358,857
Firemen's .....	272,335	304,909
First American ..	386,821	339,294
Franklin Fire ....	18,803	116,219
Franklin Nat. ....	29,615	150,683
Fulton Fire .....	63,091	14,487
General Exchange ..	1,454,926	19,882
Gen. Seattle Amer. .	168,323	88,681
Girard F. & M. ....	307,952	122,459
Glens Falls .....	313,116	10,873
Granite State .....	34,558	22,163
Globe & Rep. ....	116,253	3,387
Globe & Rutg. ....	138,234	4,991
Great American ..	571,180	473,332
Gulf Fire .....	82,418	132,811
Hanover Fire .....	283,897	144,715
Harmonia .....	396,550	129,412
Hartford .....	1,447,294	135,192
Home F. & M. ....	2,435,086	105,231
Home, N. Y. ....	1,249,433	16,682
Homestead .....	4,700	17,119
Homeland .....	25,073	49,080
Illinois Fire .....	64,627	53,505
Imperial Assur. ...	55,003	6,684
North America ..	764,768	28,077
State of Pa. ....	85,021	251,396
International .....	72,135	350,584
Inter-Ocean Re. ...	97,001	32,325
Kan. City F. & M. ...	13,964	54,880
Knickerbocker ....	54,435	113,679
Lincoln Fire .....	64,032	151,996
Lumbermen's, Pa. .	24,188	3,892
Manhattan F. & M. .	56,526	6,783
Maryland .....	15,385	659,032
Mech. & Trad. ....	64,167	1,052,545
Mass. F. & M. ....	136,697	42,905
Mercantile .....	101,629	56,144
Merch. & Manuf. ...	47,608	551,872
Merchants, N. Y. ...	299,267	1,074,711
Merchants, Colo. .	23,320	3,297
Merchants, Ind. ...	2,810	3,433
Merchants, R. L. ...	59,007	4,564
Metropolitan .....	55,204	6,895
Mich. F. & M. ....	69,466	25,065
Milw. Mech. ....	335,591	28,082
Millers National ..	185,790	21,045
Monarch .....	397,803	23,004
Nat'l Ben Fra. ....	108,663	28,714
National, Conn. ...	863,788	37,771
National Liberty ..	350,932	44,764
National Security ..	62,103	23,082
National Union ..	193,924	10,838
Newark .....	125,878	17,020
New Brunsw. ....	74,718	18,038
New England .....	17,366	19,682
New Hampshire ..	129,131	39,759
New Jersey .....	177,417	5,827
New York .....	82,296	9,724
New York Underw. .	52,812	17,020
Niagara .....	329,589	10,838
Northern, N. Y. ...	227,117	10,838
North River .....	199,410	10,838
North Star .....	53,882	19,722
Northw. F. & M. ...	25,130	20,565
	38,612	14,453

	Net Premiums	Net Losses
Northw. Nat. ....	452,857	158,465
Occidental .....	580,268	184,314
Old Colony .....	54,749	14,270
Orient .....	231,695	54,749
Pacific .....	270,889	31,998
Pacific Nat. ....	69,635	54,749
Patriotic .....	38,243	32,568
Pennsylvania .....	250,687	90,961
Philad. F. & M. ...	155,320	83,372
Philad. Natl. ....	207,319	13,815
Phoenix, Conn. ....	413,135	18,928
Piedmont .....	2,134	51,539
Pilot .....	37,120	55,752
Pioneer Equit. ....	49,078	76,700
Potomac .....	76,693	83,372
Prov. Wash. ....	165,982	13,815
Provident, N. H. ...	32,463	32,691
Prudential .....	139,019	7,099
Quaker City F. & M.	10,811	10,710
Queen .....	2,519	17,766
Reliance, O. ....	32,262	12,453
Reliance, Pa. ....	92,038	13,981
Republic, Tex. ....	111,437	110,373
Rhode Island .....	76,004	128,068
Richmond .....	133,515	382,825
Roch. Amer. ....	32,342	479,274
Rossia .....	119,853	208,833
Safeguard .....	33,364	250,316
St. Louis F. & M. ...	6,638	21,033
St. Paul F. & M. ...	329,587	25,191
Seaboard F. & M. ...	35,704	31,211
Security, Ia. ....	108,374	35,985
Security, Conn. ...	330,247	185,576
Sentinel .....	17,366	427,998
South Carolina ....	23,166	75,068
Southern, N. C. ...	7,993	42,656
Southern, N. Y. ...	1,885	80,824
Springfield F. & M.	590,466	31,199
Standard, Conn. ...	143,059	35,196
Standard, N. J. ...	128,544	10,765
Standard, N. Y. ...	122,681	3,418
Star .....	288,140	124,412
State Farm .....	18,719	155,571
Sun Underwriters ..	29,258	48,588
Superior .....	81,899	71,997
Sussex Fire .....	13,466	160,395
Transcontinental ..	29,615	18,027
Travelers Fire ....	371,081	21,924
Twin City .....	15,808	45,119
United Firemen's ..	58,932	18,004
United States .....	562,391	21,396
Universal .....	5,318	473,616
Utah Home .....	5,958	745,505
Virginia F. & M. ...	5,318	192,157
Wash. Assur. ....	931	235,123
Westchester .....	336,037	960
Western, Can. ....	517,772	382,858
World F. & M. ....	68,953	482,821
Zurich Fire .....	120,215	123,295
Federal Union .....	24,656	163,271
National Res. ....	113,362	163,597
Pioneer Fire .....	4,326	1,313

## Foreign Stock Companies

	Net Premiums	Net Losses
Alliance Assur. ....	34,017	13,147
U. S. Br. Atlas .....	110,897	40,318
Baltica Fire .....	40,241	167,518
British America ...	19,100	20,422
	21,958	9,792

	Net Premiums	Net Losses
Brit. & For. Mar. ...	3,083	282
British General .....	17,546	7,001
Caledonian, Scot. ...	25,195	9,155
Century, Scot. ....	326,842	96,816
Christiana Gen. ....	54,082	19,419
Coml. Un. Assur. ....	66,491	21,664
Eagle, St. & B. D. ...	75,629	33,203
Fr. Un. & Univ. ....	88,445	39,669
General F., Paris ..	186,151	74,516
General, Italy .....	520,054	122,070
Halifax Fire .....	76,765	40,807
Indem. M. Assur. ...	101,203	43,538
Jupiter General .....	55,752	23,273
Law, Un. & Rock. ...	76,700	31,089
Liv. & Lon. & Gl. ...	83,372	33,036
Lond. & Lanc. ....	13,815	1,766
Lond. & Prov. ....	32,691	7,015
London Assur. ....	7,099	5,126
Marine, London .....	10,710	5,311
Meiji Fire .....	17,766	5,521
Netherlands .....	12,453	3,536
New India .....	13,981	3,857
No. Brit. & Merc. ...	110,373	42,695
Northern Assur. ....	128,068	45,558
Norwich Union .....	382,825	129,490
Pacific Coast .....	479,274	153,033
Palatine .....	208,833	87,489
Pearl Assur. ....	250,316	93,246
Phoenix Assur. ....	21,033	8,013
Reliance Marine .....	25,191	9,288
Royal .....	31,211	8,258
Royal Exchange .....	35,985	8,720
Scot. Un. & N. ....	185,576	43,224
Sea .....	427,998	117,542
Skandia .....	75,068	16,083
Skandinavian .....	57,743	10,948
Standard Marine .....	80,824	20,422
State Assur. ....	31,199	9,807
Sun .....	35,196	10,765
Svea .....	—98	3,418
Swiss Reins. ....	303,540	124,412
Switzer. Gen. ....	455,379	155,571
Thames & Mersey ..	172,571	48,588
Tokio M. & F. ....	240,590	71,997
Union & Phenix .....	127,699	160,395
Union Assur. ....	160,395	18,027
Union F. A. & G. ...	21,924	45,119
Union of Canton. ...	45,119	18,004
Union Mar. & Gen. ...	61,616	21,396
Urbaine .....	473,616	140,865
West Assu., Can. ...	745,505	239,080
Yorkshire .....	192,157	81,176

## Marshall Dies; Former Northern, N. Y., Head

James Marshall, 67, former president of the Northern of New York, died Tuesday at his home in South Orange, N. J. Mr. Marshall's connection with insurance dates from 1894, when he joined the underwriting firm of Burke & Brown, managers of the Eastern and the Northern Insurance Companies. He became secretary of the latter in 1897 and its president in 1926, retaining the office until ill health forced his retirement in 1933, when he was succeeded by H. H. Clutia. For many years Mr. Marshall was a leading figure in fire insurance circles. He served at various times as president of the New York Fire Insurance Exchange, vice-president of the New York Fire Insurance Rating Organization, on the executive committee of the National Board and as president of the Insurance Society of New York. He also was prominent in the civic life of South Orange.

## Annual Rally Is Held in Alabama

(CONTINUED FROM PAGE 5)

mastered, this information, you will be able to discuss intelligently the operation of non-stock carriers.

"You will know their contract as well as your own and then you are in a position to better serve your clients, as well as to meet this type of competition."

"If you will pardon a personal reference, I feel that I have been successful in meeting this particular kind of competition, perhaps more so than the average agent. I give credit to the fact that I have endeavored to keep myself as well versed on my competitor's contracts, their provisions, requirements and operations, as he who sells the contract. In addition, I have made a study of the client and his business and adopted my plan of salesmanship after a careful analysis of all these factors."

"In other words, if you know that which you are selling better than your competitor and you also know that which your competitor is selling, you have greater confidence in your ability, and when once your client is convinced of the quality of your product, of the service you can render, of your sincerity, honesty and stability, then your battle is won. It is my opinion that the greatest handicap of any agent in selling insurance is his failure to know his contract and that of his competitor."

W. L. Falk, superintendent brokerage department, Royal-Liverpool group, recommended as the first important preparatory step in meeting reciprocal competition a thorough study of the power of attorney that is a part of the reciprocal arrangement.

"You will often find that power of attorney so broad that the assured will hesitate to sign it if he is made fully aware of its provisions," he said. "In our own case we have a copy of a legal opinion on the subject which I believe should be of interest to all of you. Here is what the attorney has to say: 'I have pointed out above, in some detail, the difficulties and doubts I have concerning contracts made with reciprocal exchanges.'"

This opinion pointed out the possibility of abuse of power by the attorney-in-fact, possibility of only partial collection for losses sustained, possibility of assessment, the fact that banks in New Orleans and the state of Louisiana have rejected this form of insurance, and the ambiguous position of exchanges in relation to state regulatory authorities, the risks inherent in the case of runs on the exchange, the difficulty of a subscriber determining his position at any particular moment and the fact that in 1934 each one of these exchanges fell considerably short of earning dividends which they paid to subscribers.

Mr. Falk urged every one to acquaint himself fully with the facts in the failure of Manufacturing Lumbermen's Underwriters of Kansas City, one of the largest exchanges in the business. He said this failure will unquestionably cost its former subscribers many thousand of dollars and that full knowledge of the facts in the case would be useful in competing for a reciprocal risk.

C. L. Gandy, Birmingham, former national president, told of methods used meeting non-stock competition. As for his own agency, Mr. Gandy said that he had taken \$13 worth of business away from non-stocks for every dollars worth of the business lost to them during the same period.

Birmingham is the largest city in the world where all the city insurance is placed in stock companies, Mr. Gandy said. Despite strong opposition by non-stock companies, the stock companies have held this business for seven consecutive years, he said, adding that he would be glad to cooperate with agents in other cities who wished to accomplish what has been done in Birmingham. Latest available records, said Mr. Gandy, show that in Alabama less than

10 percent of all fire, casualty and miscellaneous business in Alabama is written by non-stocks.

E. H. Moore, Birmingham, secretary Alabama association, announced that a meeting of the Business Development committee had been held to formulate plans. The greatest obstacle was found to be the lack of interest by local agents. Two courses of action were decided upon: (1) During the next 60 days each special agent in making his rounds shall ascertain the attitude of the local agents in his territory on the subject of assistance in meeting the non-stock competition and report their findings; (2) select some city in Alabama, preferably where non-stock competition is strong, and determine every piece of property in that city now carried by non-stocks. Following this it is proposed to go into the city, call a meeting of the stock agents and see if some of this business can be recaptured. If the plan is successful it is proposed to carry it into other cities of the state.

William Quaid, executive vice-president Southern Fire, said that because of increasing taxation, men who have created something of value through their initiative, courage, energy and ambition, are going to be confronted more and more with the problems of protecting those values and that more and more will they turn to insurance for that protection. He said that insurance men, both in the home office and the field, would be doing less than their duty if they failed to distribute all those protections which they are manufacturing and selling.

Resolutions were adopted favoring continuation of state insurance supervision as opposed to federal supervision; opposing the appointment of non-recording agents in the state; endorsing congressional action which would curb the sale of insurance in states by non-admitted companies by denying use of the mails to such violators, and urging the extension of the Business Development Office to the assistance of local agents in meeting casualty non-stock competition.

Other speakers included J. Dillard Hall, assistant agency director, United States Fidelity & Guaranty; L. T. Wheeler, manager-secretary, S.E.U.A.; C. S. Henagan, Birmingham; C. G. Key, Birmingham. City Commissioner W. P. Screws welcomed the delegates on behalf of the city, and Max S. Baum did likewise on behalf of the city of Montgomery.

All officers were reelected, except that Charles Morris was named executive committee chairman succeeding Sylvain Baum of Montgomery, who retired at his own request.

The convention was attended by nearly three hundred. It was characterized by complete harmony. There was an abundance of entertainment arranged by the Montgomery board.

Superintendent Julian was ill in bed and could not attend. Flowers were sent to Mr. and Mrs. Julian.

The dominant topic that emerged at every turn was the determination to continue a thoroughgoing assault on the non-stock front.

The local committee was headed by J. M. Harrison assisted by Bolling Starks.

A response on behalf of the agents was offered by C. S. Henagan of Birmingham.

C. S. Bickerstaff, president of the S.E.U.A., was introduced.

Vice-president Joseph Bullock of Mobile took the gavel while President Thomas delivered his annual report.

On behalf of the Alabama Field Men's Association, Cliff G. Key of Birmingham, its president, extended greetings.

H. C. Arnall of Newnan, Ga., chairman of the Southern Agents Conference, was introduced.

Very few legislative matters have arisen to plague the business, Arthur Mead of Montgomery reported on behalf of the legislative committee.

The convention committees were: Resolutions—Mr. Gandy, chairman; C. H. Davis, Huntsville; Max Baum.

Nominations—C. S. Boswell, Huntsville, chairman; W. W. Croom, Mobile;

Mr. Mead, T. A. White, Birmingham.

The Bankers Fire & Marine of Birmingham following its custom, was luncheon host.

Mr. Gandy introduced Henry Clay Smith of Cullman, who in his odd, humorous style told of his successful methods of fighting non-stock competition. At present there is not, as far as he knows, one non-stock policy in Cullman.

Mr. Wheeler said when the non-stock competitors first enter a community they go after the city and school lines, and doctors, lawyers and professional men. They desire professional men especially because they contact so many people, but they do not like a strong local board because it stands in their way. These competitors do not like to find agents working together.

Mr. Wheeler stated the non-stock competitors are meeting more difficulties in this section than elsewhere.

The social event was a banquet attended by more than 250, during which a floor show was presented.

Deputy Superintendent Thigpen spoke briefly.

Secretary Moore said the executive committee proposed to the National association changes in the standard fire policy. The suggested changes are: 30 days automatic cancellation of a policy for non-payment of premium; print policy on lighter weight paper; that the matter of renewal be given careful consideration; exclude each clause that is now eliminated by endorsement without charge; that some more feasible method of canceling be devised; that it be definitely stated in the policy whether cigarette burns are covered; eliminate all clauses now of no value to agent, assured or company.

The effort of factory mutuals seeking to be licensed in Alabama by paying a tax merely on net retained premiums was brought to the attention of the association. It was pointed out the law requires the tax on gross premiums. The association voted to lodge a protest with the department against licensing the factory mutuals on a net basis.

President Thomas advised that the executive committee recommended a change in the cotton gin schedule and the matter now is in the hands of the Southern Agents Conference.

C. S. Boswell of Huntsville said county agents are sending letters under government frank advising farmers to place their insurance in farm mutuals. A protest will be filed with the department.

The association endorsed a resolution passed by the Tennessee agents last October protesting the appointment of bank agents in towns of more than 2,500 population. The Alabama association decided to adopt a similar resolution and ask the National association to revise its population schedule on this subject.

The past president's dinner was attended by about forty. It was presided over by Mr. Gandy. Following adjournment the delegates were entertained at a stag luncheon.

### See Hope for Ultimate Adoption of Uniform Form

(CONTINUED FROM PAGE 6)

panies should use a title which will convey the intention as accurately as possible.

It could not be learned with certainty whether the eastern interests were willing to include smoke damage in the uniform contract. Eastern underwriters have always contended that the smoke damage hazard presents too much variation in individual risks to warrant inclusion at a uniform rate. Western insurance men, on the other hand, maintain that smoke damage is one of the biggest selling points of the supplemental contract and this viewpoint is shared by most eastern agents.

There apparently was little dissension on the necessity for defining riot coverage carefully, in view of recent labor troubles. Such differences of opinion as were manifested were presumably individual and not sectional.

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• SEATTLE



## EDITORIAL COMMENT

### Why the Government Intervenes

IT IS gratifying to know that the companies, both those that belong to the EASTERN UNDERWRITERS ASSOCIATION and outsiders have reached an accord as to commissions paid at Rochester, N. Y. While state regulation to a greater extent than has been considered really necessary is to be deplored, yet at times it seems that the industry itself is unable to control its own activities. Therefore some force outside of the industry has to use the big club. This was the case at Rochester. Superintendent PINK of the New York department called attention to excess commissions paid there by some of the companies. He contended

that this is unfair to the premium paying public. Mr. PINK believes in reasonable compensation. He is opposed to excessive commissions. The companies voluntarily did not seem to have the power to accomplish anything, due to severe competition. However, with the club of the state held over them they have agreed to a reasonable scale. Outside companies as well as organization companies participated in the conference. It is unfortunate that the industry itself cannot cure these abuses without official prompting and pressure. When it cannot it leaves the way open for the state to intervene.

### Seeing Ourselves As Others See Us

THAT will be an interesting feature at the annual meeting of the NEW YORK STATE ASSOCIATION OF LOCAL AGENTS in Syracuse, N. Y., next week when a leading company manager and one of the progressive local agents will see each other as the others see him. Manager CHARLES C. HANNAH of the eastern department of the FIREMAN'S FUND will tell his audience what he would do if he were a local agent, looking at a producer from the ex-

perience he has gained as a supervising official. On the other hand, F. L. GREENO of Rochester, a local agent of real vision and who keeps abreast of the times, will tell what he would do if he were a company executive. This will afford an opportunity for two very gifted men with penetrating judgment to place themselves in the chair of the other. It certainly will be a worth while contribution to the convention.

### Prime Cause Is Human Factor

J. DILLARD HALL, assistant agency director of the U. S. FIDELITY & GUARANTY, in his addresses before local agency bodies makes a very interesting analysis of automobile accidents to show that the prime cause of these mishaps which cause death and disability is not the weather, bad roads, defects in the machine, but pure cussedness, dare-devil driving, high speed, indifference. In other words, Mr. HALL traces the big percentage of accident

causes to the human element. Defective cars, weather and roads cannot be blamed for the big majority of accidents.

With these statistics at hand, those engaged in safety work can well study what lines of procedure will be the most effective. An appeal will have to be made to the heart and head of people, to their good sense. There must be education and perhaps the greatest result can come with proper work done with school children.

### Excellent Local Agency Selection

A. R. MENARD, a well known local agent at Macon, Ga., one of the progressive southerners who has served the GEORGIA ASSOCIATION OF INSURANCE AGENTS for two successive years as president and is active in the work of the National body and the SOUTHERN AGENTS CONFERENCE, is to be congratulated on the fact that he will

be located at the BUSINESS DEVELOPMENT OFFICE, taking charge of the important activities in the field. Mr. MENARD is militant, he is aggressive and yet possesses good sense and high intelligence. He is a clean cut local agent who is a credit to the producers and will continue to enhance his standing in the business.

### Move for Uniformity

A MOVE in the right direction is the effort on part of rating bureaus and insurance companies to agree on a uniform supplemental contract, a conference having been held last week in Chicago to that end. One of the most exasperating features of the business is the difference in coverage in various jurisdictions through-

out the country. Each has some variation. Where a policyholder has insurance in different sections and discovers this lack of uniformity, he naturally wonders why in one place he has a certain coverage and cannot get it in another. There are peculiar local conditions that call for something specific at times. However, in a

nation-wide practice, the variations should be minimized and as great uniformity as possible be brought about. It is to be hoped that what is being done with the supplemental contract will be extended to other forms of coverage. We need uniformity and clarity in such matters.

In his talk before the CHICAGO ASSOCI-

ATION OF INSURANCE AGENTS, ROY L. DAVIS, assistant Illinois insurance director, spoke of the need of uniformity in insurance legislation and supervisory procedure. While it might be unwise to have everything properly shaped and canned, yet in insurance there certainly is a real need for uniformity in many lines.

## PERSONAL SIDE OF BUSINESS

Miss Patti Stevens, daughter of J. W. Stevens, California state fire marshal and chief of the fire prevention bureau of the National Board, will be given an engagement at the Golden Gate Theater in San Francisco as the result of her success on a recent amateur program of local origin.

H. W. Chesley of Chicago, assistant manager of the Western Underwriters Association, has been more or less on the shelf since the annual meeting at White Sulphur Springs. He found that he had a number of infected teeth that had to be extracted. Therefore he is taking the time to have the job done. Inasmuch as his teeth extracting experience is not conducive to great zeal and ambition and work, he is staying away from his office until he is in a more fit condition.

B. P. Carter and L. E. English, Richmond, Va., general agents, accompanied by Mrs. Carter and Mrs. English attended the annual convention of the North Carolina Association of Insurance Agents at Pinehurst, N. C., this week. They expect to leave for Denver May 21 to attend the annual convention of the American Association of Insurance General Agents. If precedent is followed, Mr. English, who is now chairman of the executive committee, will be elected president. Mr. Carter is a former president. If Mr. English is elected, Richmond will have the presidency of two insurance organizations of national scope, as W. Owen Wilson is head of the National Association of Insurance Agents.

R. D. Wiley of Chicago, state agent of the Atlas and Albany in Illinois, has issued invitations to the wedding ceremony of his daughter, Maxine, to Capt. R. F. Nicholson at the Wiley home, May 29. Captain Nicholson was formerly in the army air service and is now a pilot with the United Air Lines operating between Chicago and New York City. Miss Wiley is a young woman of superior charm.

The Grain Dealers National Mutual has announced its annual scholarship award contest for Indiana high school or preparatory school male students who graduate at the spring vacation or are, by taking extra work at summer school, eligible for a diploma. The scholarship is for \$500 with any Indiana college or university having a course in commerce, business administration, or a strong course in economics. The selected students will be given an examination at Indianapolis May 14-15.

General Counsel Walter H. Bennett of the National Association of Insurance Agents has announced the engagement of his daughter, Geraldine Elizabeth, to Richard Edward Boschen, the marriage

to take place in the fall. Formal announcement of the engagement was made last Saturday, when Mr. Bennett entertained more than 100 of his and his daughter's friends at dinner at his home in Upper Montclair, N. J. Mr. Baschen is president of the American Pearl Company of Newark, and a member of the New York firm of Bailey, Green, Elger, Inc. Upon their return from their wedding trip, the young couple will occupy a new home now under course of construction in Upper Montclair.

James A. Corroon, production manager for the Corroon & Reynolds companies, represented the group at the annual gatherings of the North Carolina and of the South Carolina agents' associations.

E. M. Jones of the insurance brokerage firm of E. M. Jones & Son died in San Francisco. He was one of the original signers of the proposal to organize the Insurance Brokers Exchange of San Francisco in 1906. He has maintained an active interest in affairs of the exchange, serving as a member of the arbitration committee and board of governors.

Morris Crain, Indiana state agent St. Paul Fire & Marine, addressed the convention of the National Investment Bankers Association at Fort Wayne, Ind., on "Insuring Conditional Sales Contracts."

E. Kenneth Ervin, 39, manager of the Boston and metropolitan stamping office of the New England Insurance Exchange, was found dead in his automobile in the garage of his summer home at Plymouth, Mass. Death was attributed to suicide by carbon monoxide. He had been with the exchange about 10 years.

D. E. Murphy, who started in the field for the old Michigan Commercial in 1912, when Ralph Rawlings was his boss, is now proprietor of the Mayfair Bar & Grill at Daytona Beach, Fla. He went into the field in 1912 and traveled New England for five years. When the Boston purchased the Michigan Commercial, Mr. Murphy then was special agent for middle west territory for the Boston and Old Colony for five years. He subsequently went east, covering New York and New England for the New Zealand until 1925, when he decided to go to Florida. He traveled Florida for the Continental until 1929, when he took on the Monarch Fire of Cleveland and Millers National. He represented the Millers National until last year when it decided to withdraw from Florida on account of the hurricane hazard. Regardless of Mr. Murphy's leaving the insurance business, he feels that he has a very commendable representative, as A.



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H. Murphy, secretary of the Orient, is his brother.

**A. W. Tippet**, Louisville local agent, is en route to Nice, France, to attend the International Rotary convention and will preside at the insurance group conference there.

In recognition of the services he has rendered the Elks lodge in South Orange, N. J., **S. P. Ratchford**, vice-president of the Joseph M. Byrne Co., Newark general agency, was presented a handsome silver set by his fellow Elks in South Orange.

**Boyle O. Rodes**, of W. H. Markham & Co., St. Louis, has been appointed a trustee of Westminster College, Fulton, Mo.

**C. B. H. Loventhal** of Loventhal Bros. agency of Nashville has completed 208 weeks of consecutive life insurance production for the Northwestern Mutual Life. Lee J. Loventhal, his brother, is the leader in volume of business. Both the Loventhals have been active in a campaign to raise endowment funds for Fisk University in their city. In spite of this they kept up their production in magnificent shape.

Though the outside cover and convenient size are unchanged, the "Fireman's Fund Record," oldest house organ in the fire insurance business, first published in 1880, came out in a new "dress" with its May issue. It is in modern streamline effect with elimination of portrait cuts on its inside pages, new headings provided and different lining up of columns. One page in the back of the book, devoted to "Who's Who Among Record Contributors," will carry short sketches of company officials and employees.

**Wilfred Kurth**, chairman of the board of the Home of New York group, sprung a big surprise on his organization when he announced that Vice-president **H. V. Smith** would become president. Even Mr. Smith himself did not know of the contemplated move until a week previous to the board meeting and Mr. Kurth enjoined such secrecy on him that Mr. Smith did not even tell his wife. Following the directors' meeting Mr. Kurth called up Mrs. Smith and told her that he had to break an important piece of news to her and he wanted to do it in as nice a way as he could. He said that her husband was no longer vice-president of the Home. This almost took her breath away but Mr. Kurth soon made amends by congratulating her in saying that her husband was now president.

Mr. Kurth is proud of his associates. He has brought a number of young men into the organization and they are giving a good account of themselves.

**A. M. Brown, Jr.**, of Edward Brown & Sons, San Francisco general agency, is hobbling around on a cane, following a recent injury to his leg, making preparations for the Golden Gate Bridge Fiesta, of which he has charge. The celebration will continue for ten days starting next Saturday.

**W. Stanley Pearce**, advertising manager of the Fireman's Fund group, has been elected a director of the San Francisco Advertising Club. He has been active in the organization ever since his arrival in San Francisco.

The death of **C. H. Avery**, president of the American Druggists Fire of Cincinnati, automatically makes Dr. J. H. Beal, former vice-president, president at least until the next annual meeting in February. Dr. Beal is one of the prominent drug authorities in the country, being chairman of the board of trustees of the United States Pharmacopoeia. He is an Ohioan but spends most of his time in Florida. The late President Avery was also state agent of the American Druggists for Illinois. The founder of the company is, however, H. Free-

### National Representative at Texas Agents' Meeting



JOHN K. BOYCE, Amarillo

**John K. Boyce** of Amarillo, Tex., former president Texas Association of Insurance Agents and a member of the executive committee of the National association will be the official representative of the latter body at the annual meeting of the Texas association next week. Mr. Boyce is one of the outstanding agents of his state and is regarded as National association presidential material.

rick, who, while a druggist in Cincinnati and a member of the National association, first suggested that a strong stock company be organized to insure retail druggists exclusively. At that time many retail druggists were paying the same rates as wholesale druggists and there was more or less dissatisfaction in drug circles over insurance matters. At the time the company was projected Mr. Freericks had no idea of becoming connected with it, but since there was no one else available to carry out the plans he was induced to become secretary manager, a position he has held ever since. He has not only been a successful executive but has been a civic leader in Cincinnati. Through him the company erected a handsome office building known as the "American Building" which adorns the Central Parkway and which has such tenants as the home office of the Inter-Ocean Casualty and the Cincinnati Automobile Club. The American has \$750,000 capital with net surplus of \$1,175,803 and a combined loss and expense ratio last year of 81.2 percent.

### Objects to Deposit Demand

The projected Sowers Plan Crop Insurance Company of Topeka has run into difficulties. The concern was organized to write crop insurance on the mutual basis. A deposit of \$10,000 was made with the state treasurer, but Commissioner Hobbs of Kansas demanded that a \$50,000 deposit be made. Now Sowers Plan Crop has petitioned the Kansas supreme court for a writ compelling Hobbs to issue a license on the theory that the Kansas law does not require such a large deposit.

### Wisconsin Clearance Bill Dying

The bill that was introduced in the Wisconsin legislature to prohibit fire and casualty companies from maintaining a clear agency policy will not be pressed, according to present indications. There have been some conferences between representatives of the various types of companies and some of those who at first favored such legislation are reported to have changed their opinion after considering some of the less obvious consequences.

# 1794 1937

## THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

PHILADELPHIA, PA.

### ANNUAL STATEMENT December 31, 1936

Reserve for Unearned Premiums .....	\$1,920,780.68
Reserve for Losses Under Adjustment..	194,625.69
Reserve for Taxes and all other Claims	107,228.45
Contingency Reserve .....	100,000.00
CASH CAPITAL .....	1,000,000.00
NET SURPLUS .....	2,112,660.17

TOTAL ASSETS .....\$5,435,294.99

**SURPLUS TO POLICYHOLDERS \$3,112,660.17**

Bonds and stocks are valued on basis approved by National Association of Insurance Commissioners. On basis of market quotations, the total Admitted Assets would be \$5,548,777.75 and the Policyholders' Surplus \$3,226,142.93.

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HOUSTON, TEXAS  
Shell Building

INDIANAPOLIS, IND.  
Electric Building

KANSAS CITY, MO.  
Fidelity Bank Building

MILWAUKEE, WIS.  
Century Building

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Essex Building

PHILADELPHIA, PA.  
Drexel Building

PITTSBURGH, PA.  
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Missouri Pacific Annex

ST. PAUL, MINN.  
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TULSA, OKLA.  
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## Luggage Stolen as traveler buys ticket!

### TOUGH LUCK—but for One Man's Persistence

"My favorite bag—I hated to lose it. And it cost plenty to replace its contents, too. But thanks to *one man's* persistence, the cost doesn't come out of my pocket." Pat Harrison paused briefly to light a cigarette.

"As it is, the Personal Effects policy he sold me covers the loss. In fact, it covers loss or damage to personal belongings anywhere in the world outside my home—trains, taxis, ships, hotels, clubs, baggage rooms, delivery trucks, laundries—fire, theft, wreck,

loss, flood, or what have you. Glad I took his advice. That *one man's* persistence saved me plenty."

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HOME OFFICES, BALTIMORE



## U. S. F. & G.

# The NATIONAL UNDERWRITER

May 20, 1937

CASUALTY AND SURETY SECTION

Page Twenty-three

## Making Casualty Rates Discussed

Senior Urges on Actuaries More Attention to Social, Economic Factors

### NEW COMPENSATION PLAN

H. T. Barber of Travelers Suggests Use of Weighted Five-Year Average—Edwards, Hobbs Heard

NEW YORK, May 19.—New developments—actual and suggested—in the rate-making end of the casualty business were discussed at the annual meeting of the Casualty Actuarial Society. In his presidential address, L. S. Senior, general manager New York Compensation Rating Board, advanced some ideas on rate structure which would take more account of social and economic factors relating to casualty insurance.

H. T. Barber, assistant actuary casualty actuarial department Travelers, confined himself to the compensation field and suggested that a deliberate review of the methods used in calculating annual rates for compensation insurance might be advisable for the purpose of amending any apparent deficiencies. Mr. Barber pointed out that the wide variation in the actual underwriting results of the various carriers indicates a need for an improvement in compensation rating methods and that a review of the manual rate-making procedure is the logical point at which to start.

#### Favors Five-Year Experience

Mr. Barber suggested that the use of a weighted five-year average for rate level purposes instead of the average of the two latest policy years experience as used at present would obtain better results with less complication. This principle, he pointed out, was under consideration in 1925 at the time that the present method was originally formulated. When both of these methods were under consideration the present rate level formula was judged to be preferable because it produced rates more nearly equivalent to current cost levels.

However, since the choice was made the "permanent" method has been amended in two important respects: The contingency factor has been introduced in the rate level determinant to insure equitable results over a long period and industry group rate levels have also been injected into the rate making process.

#### Advantages of Weighted Average

Mr. Barber pointed out that the contingency factor has leveled off to some extent the advantage of the present plan over the weighted plan, and the changing distributions of exposure in connection

(CONTINUED ON PAGE 34)

## Actuaries Must Weigh Economic Fluctuations

NEW YORK, May 19.—The actuary of the future must not only be a mathematician but an economist as well, L. S. Senior, general manager New York State Compensation Rating Board, declared in his presidential address before the Casualty Actuarial Society.

"The history of this country proves beyond question that economic fluctuations are inevitable," he pointed out. "The fate of casualty insurance is closely allied with the fortunes of industry and it sustained severe blows in periods of depression because of circumstances beyond its control. The more rapid decline in wages as compared with employment, the rise in the frequency rates, the unfavorable operation of statutory provisions and general social tendencies, all serve to bring about reduced premiums and a disproportionate increase in losses. In such times expectations for increase in premium rates cannot be realized because of inability, and consequent resistance, on the part of industry to meet the demand.

#### Actuaries Can Save Day

"The actuarial profession may save the day through building of proper reserves that will operate as bulwarks for the protection of the company and its policyholders. For that purpose it may be necessary to introduce reform in our rating formula as well as in our method of reserves. But the lesson of history is so clear and so apparent that no company executive will hereafter be able to make a plea in 'confession and avoidance' as his excuse for failure to take proper precautions."

Reviewing certain social trends and political tendencies closely related to the progress and the welfare of casualty insurance, Mr. Senior noted that organized labor and socially minded reformers are generally disposed to favor higher compensation benefits, reduction of the waiting period, enlarged coverage for occupational disease and extended medical benefits.

"Quite recently we witnessed in New York amendments to the workmen's compensation law providing for free choice of physicians and depriving the insurance carrier of any medical control in the care of injured workers," he continued. "Speaking of medical benefits, the connotation of that term will not penetrate the inner consciousness of the policyholder until he is made familiar with the fact that it equals one-half of the indemnity payment. Not all policyholders realize the extent to which the economic struggle has affected the medical profession. It is something of an experience to see, as I have seen, dramatized the private quarrel of physician and insurance carrier on the value of reducing a fracture or of removing a foreign body from the eye, or on the question as to whether a particular medical service has been overdone or underdone. Instead of dealing with dry-as-dust statistical material, one comes in contact with stark realities and gets a much better conception of the human relations between doctor, carrier and injured workman.

"And many of the reforms advocated in behalf of policyholders and beneficiaries are undoubtedly desirable, while others impose an unjustifiable burden upon industry in particular and upon the public in general. Industry and the public are now staggering under heavy taxes assessed by federal, state and local authorities, and the prospect for a letup is not encouraging. Government deficits are not pleasant things to envisage, particularly since the road leads to inflation of credit, higher taxes and higher living costs.

"Referees in compensation cases and juries in negligence cases are particularly affected by the social trend for higher costs and are more ready to grant higher awards and larger verdicts. The demand for enlarged benefits and broader coverage, while expected to be of advantage to the workman, may

(CONTINUED ON PAGE 34)

## Joseph Futz Will Shine at Springfield's Outing

EIGHTY-FOUR, PA., May 19.—Joseph Futz, prominent local insurance man, is gaining a national reputation as a speaker and raconteur. He has received an invitation from Casper H. Brown of Springfield, Ill., a distinguished underwriter there and a member of the firm of Feffer & Brown, inviting him to attend the annual outing and dinner of the local insurance organization of the city, and give an oration at the banquet.

Mr. Futz accepted with alacrity when Mr. Brown notified him that his expenses would be paid and he would be given an honorarium of \$25. Mr. Futz suggested to Mr. Brown that having conducted a policyholders' watermelon picnic he is well informed as to the manner of paying expenses. He would establish a registration fee for all field men and executives. Mr. Futz says that they are always glad to do this as they owe it to the fraternity. Agent Brown invited Mrs. Fritzie Futz, but Joseph naively states that when he goes on tours of this character he desires to "have a good time and thoroughly enjoy the occasion."

While in Springfield Mr. Futz will make a professional call on Ernest Palmer at the state house, he being the insurance commissioner. He will bear the greetings and official salutations of Hon. Commissioner Hunt of Pennsylvania, one of Joseph's close personal friends. He will also bear the compliments of his very warm friend, Kenneth H. Bair of Greensburg, Pa., former president National Association of Insurance Agents.

Taking a cue from the Springfield invitation, Mr. Futz is getting out stationery, and letters will be sent to insurance men of various cities making the announcement that he is available for speeches at these outings. Joseph has secured a new joke book in which is brought up to date many stories of a rich and illuminating nature. He will give some of these at Springfield.

## Close Cooperation Aids A & H Line

Underwriters Bureau Told Value of Simplified Forms, Uniform Rates

### TWO ADDRESSES GIVEN

E. H. O'Connor, U. S. Casualty, Calls Attention to the Value of Pooling Experience of Companies

By DOROTHY B. PAUL

RYE, N. Y., May 19.—Volume of new accident and health business was increased 8 percent, expanding the total business written by stock companies to \$135,497,000 in 1936, said E. H. O'Connor, assistant secretary United States Casualty and chairman, governing committee Bureau of Personal Accident & Health Underwriters, at its annual meeting. The wisdom of adopting the simplified bureau forms and uniform rates in 1932 has been proven without question, he continued. He quoted the advice of E. S. Lott, now chairman of the board United States Casualty, 34 years ago when he advocated such a plan.

#### Increased Cooperation Profitable

It is the fuller and franker intercourse between companies that has improved the accident business today, Mr. O'Connor stated. The lack of cooperation and reluctance to exchange experience accounted for much of the previous unprofitable business. The digest recently furnished each company covering experience for four policy years, will be continued, he reported.

The benefits to companies belonging to the bureau are unquestionable, the chairman stated. Mr. O'Connor deplored the lack of interest shown by multiple line company executives in the past which was due to an insufficient knowledge of this particular line of business, an uncertainty of losses against premiums due to a multiplicity of policy forms and an inability to estimate experience.

#### Producer Education Necessary

In the last 10 years this situation has been overcome, he said, and the bureau is now regarded as an integral part of these organizations. There were five joint meetings of the governing committee with various bureau committees during the year, the chairman said. In conclusion he urged greater education of producers so they can properly present accident coverage to their prospects.

Committee reports followed, J. F. Lydon, Ocean Accident, reporting for the auditing committee; E. S. Fallow, Travelers, for the statistical committee; Logan Bidle, Aetna Life, for the committee on standard manual and uniform classification of risks, and George Goodwin, Connecticut General, representing the underwriting committee.

Berkeley Cox, associate counsel Aetna Life, gave an address, "Twenty-five Years of Standard Provisions Law." He

(CONTINUED ON PAGE 31)



## Wants More Time for the Commonwealth Mutual Probe

WOULD REPORT IN JANUARY

Former Loss Department Head Testifies About Chaotic Condition of Claim Records

BOSTON, May 19.—The special legislative committee investigating the affairs of the defunct Commonwealth Mutual Liability announces it will ask the legislature for an extension of time for reporting its findings, thus turning itself into a recess commission. The original order called for a report of findings during the term of the present general court, which will adjourn early in June at latest. If the request is granted the report of the committee will not be rendered until the legislature next convenes in January. Coupled with the extension request will be one for an order to report any charges the committee may make against any individuals directly to the governor.

A telegram was received Tuesday from Frank Cohen of New York, who financed Commonwealth Mutual, stating that he had been following the progress of the investigation with deep interest in the newspapers and added: "Want you to know that I shall be pleased not only to appear voluntarily before your committee, but also to aid you in any other way I can." The committee signified it would certainly ask Mr. Cohen to appear before it shortly.

### Nathan Fink Is Heard

Nathan Fink, attorney, who came into the picture during the last two months in an effort to exercise his influence with the commissioner and bring about a rehabilitation of the company, but did not succeed, was on the stand all day Tuesday but contributed little new information.

"Stacks and bundles of claims were piled in corners and hidden away from everyone" declared Fink. He attempted to take charge of the office in October, 1936.

### "Bunch of Bums"

"They were all a bunch of bums," he said, when asked as to the personnel of the company, "with the possible exception of one or two." Later he qualified his comment to apply to the officers and directors as insurance men, rather than personally.

Fink stated he found most incomplete records of claims. Often claims came in for persons of whom there was no record of their being insured. The stubs on compulsory policies, supposed to be sent in by agents, did not come in, until finally one girl was set aside to hunt up the insured of whom there seemed to be no record. Two gangsters were insured in Springfield and the company was called on to pay one death claim and other awards without knowing about the coverage.

"There would be \$100 set up against a case of fractured skull, and I personally had one case of three persons seriously injured where the liability was clearly on the company and any jury would have awarded \$20,000 in the case, yet the reserve I found set up against the case was \$150," he declared.

A formal request from Commissioner DeCelles that he be allowed to appear again before the committee and answer the witnesses who made certain accusations against him was made. He has engaged two attorneys to protect his interests at the hearings and at any subsequent proceedings that may be instituted against him by Governor Hurley.

### Ryan Is DeCelles' Friend

General Counsel G. S. Ryan was kept on the stand for two days last week in an effort to elicit from him information as to the commissioner's relations to the company. Although Ryan had

## New President



WILLIAM E. MCKELL

W. E. McKell, vice-president of the American Surety and president of the New York Casualty, has been nominated for president of the New York Insurance Society, the election to take place May 25. He has been greatly interested in the educational activities of the business and the production end.

H. H. Reed, North America, and John J. King, Hooper-Holmes Bureau, are nominated for vice-presidents; E. R. Hardy, secretary; F. F. Koehler of Koehler & Koehler, treasurer. The directors nominated are W. F. Beyer, Home of New York; C. A. Fowler, Fowler & Kavanagh; R. V. Goodwin, Fireman's Fund Indemnity; R. E. Kipp, Delsnoy, Kipp & Swan; S. T. Skirrow, Great American; D. C. Beebe, U. S. Aviation Underwriters; W. B. Carter, Merchants of New York.

frequent meetings and conferences with the commissioner, and often rode into town with him from the shore resort where they both lived, he stated he had never mentioned the name of Cohen as the backer of the company. He admitted receiving some \$16,000 in salaries and fees for organizing the mutual and its affiliates, and stated he saw nothing significant in having received most of the money in cash. He knew that the three companies had interlocking directorates but had never mentioned it to the commissioner, who had previously denied he knew of such a situation. Mr. Ryan testified he was suspicious of Cohen at the start when two checks totaling \$22,000, were not backed by deposits in the bank. He stated Cohen had requested for personal reasons he did not wish his name to appear in connection with the formation of the insurance companies and that request was not withdrawn until late in the summer of 1936. He understood Mr. Cohen had been connected with the Lloyds Casualty, which had failed, and later became chairman of the board of the Metropolitan Mutual Automobile of New York.

Ryan testified that the commissioner did not have the company under close scrutiny, in his opinion, and that he never evinced any unusual curiosity about the company in his association with him.

Thomas Glack, who was the one assigned to get bonds for the officers of the company, stated he organized the company under commission from Frank Cohen and President Frank Campbell of the Metropolitan Mutual Automobile of New York and that it had been strongly suggested to him that Ryan be secured as general counsel, a lawyer who lived in Belmont, the same town as Commissioner DeCelles, although Ryan had had no previous insurance experience.

J. W. Henning, a partner in R. R. Williams & Co. agency, Louisville, is a candidate for county commissioner.

## Texas Agents Fight Giving Exposition Cover to Lloyds

HAS PLANS TO ENTER STATE

Protests Pour in on Fair Management—Entertainment Plans for National Association Held Up

DALLAS, May 19.—If Dwight W. Sleeper, insurance adviser of the Greater Texas and Pan-American Exposition opening in Dallas June 12, has his way London Lloyds will write the general liability coverage for the exposition and Lloyds will enter Texas for general business. If Texas local agents, stock companies and insurance exchanges are successful in their appeal to Director General Frank McNeny of the exposition, Lloyds will not write the line. The matter was almost definitely settled in favor of Lloyds when the agents began their bombardment of protests, which have come from as far as El Paso, 800 miles southwest of Dallas, and Brownsville, 700 miles south.

### President Ellis' Statement

"We do not challenge the right of the exposition to place its insurance where it wishes," said President Tom P. Ellis of the Texas Association of Insurance Agents, who heads the protesting committee consisting of State Secretary D. G. Foreman and Tom Gillis of Fort Worth and Cruger T. Smith and Paul Kirkpatrick of Dallas. "We do object, however, to the fair being the instrument by which Lloyds can enter Texas to do a general business. The unfair competition would disrupt and probably wreck a number of state companies and stockholders would suffer accordingly. We do not object to foreign competition, as several foreign companies, subject to the same laws and regulations as our American companies, write a big volume of Texas business but we are opposed to Lloyds, which will not be subject to the same regulations as our own companies. We strenuously object to unfair competition and it hurts our pride in Texas that our own internationally known exposition should be the instrument of bringing Lloyds into Texas."

### Bid Only Slightly Lower

It is understood that Lloyds had agreed to write the general liability coverage for about \$25,000, which is slightly lower than the premium quoted by stock companies, but many local agents in Dallas claim that stock companies were not given sufficient time to prepare proper bids. Mr. Sleeper who came to Dallas several years ago as representative of the Insurance Audit & Inspection Company of Indianapolis, Indiana, has announced recently that the cost of insurance for the 1937 Exposition would be about half that of the 1936 Centennial and that the coverage would be more complete. In announcing the plans for the fire coverage, Mr. Sleeper withheld the name of the company that would receive the public liability and workmen's compensation "until that company should be admitted into the state."

It is understood that Lloyds has the necessary legal documents for admission into Texas, so that its admittance is a mere technicality should it receive the exposition business.

### Hold Up National Association Plans

A Dallas newspaper gave the story a three-column head reading: "Giving Lloyds of London Fair Insurance Brings Hot Protest from Texas Agents." Several editorials from insurance publications were quoted, which referred to insurance conditions in Illinois caused by the admittance of Lloyds into that state.

The tentative plans of the entertainment

## Stop-Loss Advisors Within Law, Michigan Opinion Holds

ATTORNEY - GENERAL RULES

Agency Connection Must Be Proved, Otherwise, State Insurance Department Is Powerless to Interfere

LANSING, MICH., May 19.—Without proof of an agency connection between unlicensed carriers and "service" or "advisory" organizations which recommend purchase of stop-loss compensation coverage by Michigan self-insuring employers, the Michigan department is powerless to interfere with the activities of such counseling firms, according to an opinion by Attorney-General Starr.

The insurance department sought the opinion as to the scope of its jurisdiction in dealing with this problem inasmuch as authorized casualty carriers have been losing considerable compensation business to unlicensed insurers, use of whose facilities was recommended to large employers by business analysis companies whose fee usually is paid out of "savings" achieved in compensation costs.

### Cites Detroit Company

The specific case of Corporate Service, Inc., Detroit, was called to the attorney general's attention by Commissioner Gauss. This company's services have been engaged by a number of large concerns which were promptly advised to become self-insurers and to obtain stop-loss coverage through Canadian offices. This type of coverage is not written in Michigan by authorized carriers, although single risk excess, or catastrophe coverage, is accepted.

The activities of the corporation counseling firms are well within the law so long as they cannot be proved to be acting as agents for unlicensed carriers, said the opinion. The department has no control over insurance contracts entered into outside the state, although covering Michigan property. A statute now on the books requiring notification of the department and payment of a premium tax when unauthorized facilities are utilized by Michigan firms is unconstitutional and void, the report said.

The service offered by Corporate Service includes: assistance in qualifying for self-insurance, arranging for medical and visiting nurse service, installing record systems, arranging for low cost hospital service, filing reports of injuries with the labor department, payment of claims, safety inspections and recommendations for improvements, etc.

The coverage contemplated, it is explained, is written for approximately 30 percent of normal premium rates, the cost to include the fee of Corporate Service. The employer pays losses up to not more than 70 percent of a normal compensation premium covering his average payroll and is covered for his aggregate losses above that figure under the "stop-loss" contract.

### Opens Claim Department

The Kentucky Central Life & Accident has opened a claim department at the home office with E. W. Steffy, formerly Paducah, Ky., manager, in charge. He was transferred from Cincinnati to Paducah in 1936. At Cincinnati he developed a method of handling claims which is being used in other offices of the company. He has made a specialty of claims.

### Travelers San Antonio Meeting

J. G. Hill, chief underwriter of the accident department of the Travelers, and H. B. Gengnagel, Dallas, Texas state manager, held an agency conference at San Antonio, under the direction of Harlan H. Winn, San Antonio agency manager.

## Rush Tells Agents of State Control

Indemnity of North America Vice-president Sees Monopolistic Fund as Peril

### OFFERS TWO REMEDIES

North Carolina Agents Are Told Constructive Selling, Opposition to Bad Legislation Necessary

Constructive, well informed selling and opposition to unsound legislation must be the insurance man's adjustment to present social and economic changes, Benjamin Rush, Jr., vice-president Indemnity of North America, told the convention of the North Carolina Association of Insurance Agents at Pinehurst. He warned that continued broadening of workmen's compensation laws will prove unsatisfactory and unprofitable to the stock casualty carriers and perhaps result in their withdrawing from this business.

Legislatures of 43 states convened this year and three special sessions were held, he said. In a majority of these bodies bills affecting compensation, broadening the coverage, increasing benefits, including occupational disease, etc., were brought up. Sound underwriting will require rate increases to carry the hazards safely, especially those such as occupational disease which are hard to estimate. Mr. Rush was doubtful of the attitude of rate making public officials toward such proposed increases.

#### Compulsory Insurance Warning

He reviewed the compulsory automobile insurance situation, saying the crucial states as far as insurance people are concerned are New York, Pennsylvania and New Jersey, since if compulsory insurance ever gets through in these, most of the others will follow. He reviewed in detail the sad experience of Massachusetts along this line.

Liability loss reserves set up as of Dec. 31, 1934, for losses occurring during that year were inadequate, and on the 1934 year of accident at the end of 1936, only four leading stock casualty companies had adequate loss reserves for liability and only eight for compensation business. The inadequacy had to be made up out of current income or surplus and this can become progressively serious, since loss ratios on agencies and individual risks become incorrect and influence the company's underwriting policy.

Companies cannot be optimistic about claim cases and must keep strong reserves against these. Because of this, rate reductions recommended by Commissioner DeCelles of Massachusetts for compulsory liability insurance are harmful, he said. Companies cannot write liability and compensation very long in states whose commissioners take the attitude that rates are too high because sufficient reserves are carried.

#### Monopolistic Fund Is Foreseen

Withdrawal from such states means establishment of a monopolistic fund, and while this process would take some time, agents can realize what eventually would become of their business if first a compulsory automobile law and later a monopolistic fund were put through. Introduction of monopolistic state funds for one line of business would finally result in the same thing for others, and all the way immense political patronage would be created, Mr. Rush warned.

He advised agents to solicit lines in

(CONTINUED ON PAGE 31)

## Will Preside at Illinois Agents' Mid-Year Meet



W. HERBERT STEWART, Chicago

At the mid-year meeting of the Illinois Association of Insurance Agents at Springfield Friday, W. H. Stewart of Stewart, Keator, Kessberger & Lederer of Chicago, president, will be in charge. He is not only prominent in his state association but has gained distinction in the National Association of Insurance Agents, he being chairman of the important surety committee. He has been prominent in other activities in that association.

## G. B. Moore Heads New York Association of Accountants

G. B. Moore, comptroller of the Standard Surety & Casualty, has been elected president of the Association of Casualty & Surety Accountants & Statisticians of New York City. J. W. Piper, Hartford Accident & Indemnity, is vice-president and C. D. Vander Feen, National Bureau of Casualty & Surety Underwriters, secretary and treasurer.

A. O. Phelps has become connected with John C. Litt & Co., New York, as secretary. He was with Marsh & McLennan in Chicago and then with the Maryland Casualty in the brokers' blanket bond and fidelity bond department in New York.

## Problems in New O. D. Law of Indiana Are Scanned

Patrick J. Smith, deputy attorney-general of Indiana, has prepared the following statement of some of the problems involved in the occupational disease law recently enacted in his state:

Prior to 1937, there were but 16 states which allowed compensation for occupational diseases. In addition to these states, compensation is made in the District of Columbia, Hawaii, Puerto Rico, and the Philippine Islands. Employees who are under the federal employees' compensation act and the longshoremen's and harbor workers' act are likewise covered for occupational diseases.

The coverage in the various jurisdictions is generally grouped under three methods, (1) by naming the specific occupational diseases compensable; (2) by a blanket provision including all occupational diseases; and, (3), by using the word "injury" instead of "accident" in the law.

#### Three Years in Making

The second method of coverage, that is, a blanket provision all inclusive, was utilized in 10 jurisdictions. The 1937 legislature of Indiana in enacting chapter 69 of the acts of 1937 brought Indiana into this group.

The Indiana law was three years in the making and is modeled after a similar law in Illinois. Section 6 defined occupational disease in terms as broad as any law now in force, and more broadly than many. An occupational disease means "a disease arising out of and in the course of the employment. Ordinary diseases of life to which the general public is exposed outside of the employment shall not be compensable, except where such diseases follow as an incident of an occupational disease as defined in this section."

#### Due to Employment

The Indiana appellate court to which all appeals from the full industrial board must go, has said, in passing on the workmen's compensation act that the words "by accident arising out of" the employment take a liberal construction to effect the humane purposes of the act, the question in any particular case being determined not upon the minute details of what the employee was doing at the time of the accident, but rather upon whether the accident was due to a hazard to which he would not have been exposed apart from the business in which he was employed. (In re

Bollman. 73 Ind. App. 46, 126 N. E. 639.)

In another case, the same court said the words "out of" in the phrase "arising out of . . . the employment" involve the idea that the accident resulting in injury to the employee was, in some sense, due to the employment. (Deckard vs. Trustees of Indiana University, 92 Ind. App. 192, 172 N. E. 547.)

In view of these decisions and others as well which have construed the workmen's compensation act, it is but a reasonable prediction that the court will construe the occupational disease act as liberally as it has its companion act. The definition heretofore set out excepts ordinary diseases of life as non-compensable unless they follow as an incident of an occupational disease. The word incident, when used in law, means dependent on or appertaining to. The query then is presented as to what ordinary disease might depend on or appertain to an occupational disease? Can it be said that any disease which would not have occurred "but for" the occupational disease is compensable?

#### Blisters on Hands

It will be kept in mind that the Indiana law does not name the specific diseases which are compensable but rather has a blanket coverage. So, if one were employed as a laborer and as a consequence of his employment developed blisters on his hands such would, or at least could, be held to be compensable. Now, if blood poisoning or any infection of the injured area were to follow, such infection would be compensable, in the absence of a voluntary act on the part of the employee causing the infection.

Dermatitis is compensable under the Indiana law if it arises out of and in the course of the employment. Such a disease usually arises due to work in connection with oils, cutting compounds or lubricants, dust, liquids, fumes, gases or vapors and is the most numerous of all occupational diseases. In the seven year period from 1929 to 1935, there were reported in Ohio 5,837 compensable dermatitis cases. Since Ohio and Indiana have many similar industries, dermatitis might well be expected to be the chief occupational disease in Indiana.

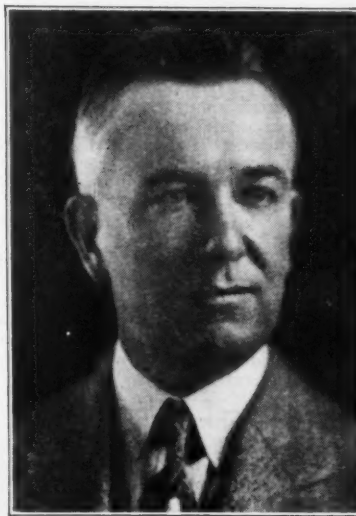
Bursitis, or housemaids knee, will be compensable under Indiana's law. While Ohio shows, in seven years, only 159

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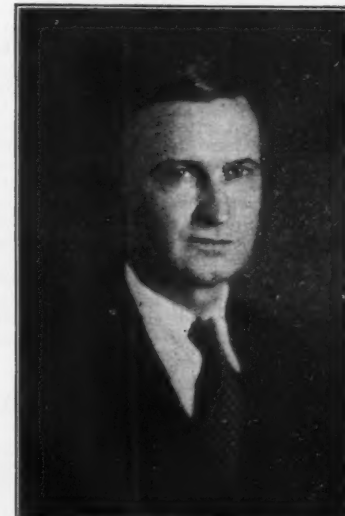
## ARKANSAS AGENTS MEETING LEADERS



LOUIS ROSEN, Little Rock  
President



C. C. MITCHENER, Marianna  
Secretary



L. R. MARTIN, Poteahontas  
Manager



## ACCIDENT AND HEALTH

### Will Discuss Local Problems

**Accident-Health Groups to Have Special Session at National Convention in Milwaukee, June 3-4**

A comprehensive discussion of problems of local accident and health associations has been arranged for the session of the National Accident & Health Association convention in Milwaukee devoted entirely to that subject, with Dwight Mead of Seattle, past president of the National association, in charge. The topics to be considered will be:

1. Selling membership—(a) Prospects, (b) purposes, (c) benefits of national organization.
2. Building programs—(a) Sources of speakers, (b) subjects, (c) attendance.
3. Special events—(a) Accident & Health Insurance Week, (b) golf and field day, (c) annual stag or party.
4. Finances—(a) Amount of local dues, (b) printing and postage, (c) national dues.
5. Committee functions—(a) Number and size, (b) frequency of meetings, (c) selection of members.
6. Convention delegates—(a) Who shall be selected, (b) payment of expenses, (c) authority and responsibility.

#### Expect All to Take Part

Representatives of all of the local associations in attendance will be expected to take part in this session and it is believed that the topics selected are of a character to provoke very general discussion. That session will be held the morning of the second day, June 4.

At the opening session the first day, there will be an address of welcome by a representative of the Milwaukee chamber of commerce, response by E. H. Mueller, president of the Milwaukee association and general convention chairman, followed by addresses by A. M. Holtzman, Colorado Life, Denver, and Gifford T. Vermillion, Milwaukee manager Mutual Life of New York. President M. J. Cleary of the Northwestern Mutual Life will be the luncheon speaker.

#### Sales Clinic Proves Popular

The afternoon session the first day will be devoted mainly to the sales clinic conducted by A. D. Anderson, Continental Casualty, Chicago, first vice-president of the National association. All angles of the selling process will be reviewed. The clinic is attracting much attention and many acceptances have been received from those who were asked to take part. The session will conclude with an inspirational talk by Joseph M. Gantz, general agent Pacific Mutual Life, Cincinnati.

The afternoon of the second day will be given over to National association matters, including the president's address, report of the executive secretary-treasurer and election of officers, to be concluded probably with an executive session for discussion of plans for the coming year.

An excellent attendance is indicated. The various local associations have almost without exception reported that they will have good delegations on hand and reservations have also been made by many accident and health men in the smaller towns of Wisconsin and nearby states who are not members of any local association. The Milwaukee committees have arranged a splendid entertainment program and are also exerting every effort to bring the attendance up to a new high mark.

### Hotel Trouble Halts Meeting

As a result of labor trouble in San Francisco, which has closed 15 of the largest hotels the past two weeks, the regular meeting of the Accident & Health Insurance Managers' Club scheduled for May 17 was postponed indefinitely.

### Industrial Insurers' Meeting

**Reelect Starnes; Discuss Social Security for Agents and Problems of Double Indemnity**

The Industrial Insurers Conference, meeting at Asheville, N. C., reelected O. E. Starnes, vice-president Imperial Life, president, and selected Jacksonville, Fla., for the 1938 convention. G. R. Kendall, president Washington National, was elected vice-president, and W. B. Clement, assistant secretary Pilot Life, was named secretary-treasurer. Executive committee members are: F. P. Samford, president Liberty National Life, chairman; F. F. Leith, vice-president People's Life; J. M. Drake, president Empire Life & Accident; H. T. Dobbs, vice-president Industrial Life & Health; W. N. Culp, chairman Southern Life & Health.

Past presidents on the committee are: C. A. Craig, chairman National Life & Accident; P. M. Estes, general counsel Life & Casualty; J. R. Leal, secretary Inter-State Life & Accident; E. T. Burr, actuary Durham Life; A. B. Langley, president Carolina Life, and P. W. Jones, secretary Bankers Health & Life. No change was made in the organization's name.

Commissioner Boney of North Carolina said a closer contact was needed between the head office and the agent. He said the policy should be interpreted in a broad manner similar to the fire companies in adjusting claims. R. A. Hohaus, assistant actuary Metropolitan Life, recommended old age pensions for agents either with their own company or another organization equipped to write group annuities.

Other speakers were D. H. Ramsey, general manager Asheville "Citizen-Times," on "Life Insurance's Place in a Changing World"; W. P. Jacobs, president Presbyterian College of South Carolina, and J. F. Finlay, general counsel Interstate Life & Accident, who discussed old age and unemployment sections of the social security act as they affect agents.

Mr. Leith reported on double indemnity. It showed 60 percent of these claims originate from automobile accidents. It concluded the coverage should be written by casualty companies.

The report of the statistical committee, presented by William Wallace, president Palmetto State Life, showed these results under health and accident policies for the past five years:

	Prem. Income	H. & A. Claims	Death Claims	Total Claims
		Pct.	Pct.	Pct.
1932 ..	22,323,149	44.16	7.14	51.30
1933 ..	19,179,579	40.58	6.89	47.47
1934 ..	19,180,780	36.87	7.30	44.17
1935 ..	18,792,113	37.51	7.07	44.58
1936 ..	21,581,165	36.85	6.89	43.74
1937 ..	5,724,883	44.81	7.07	51.88

### Amos Addresses Agencies

E. W. Amos, superintendent of the recently established accident and health department California-Western States Life, addressed a joint breakfast-meeting of the company's two Los Angeles agencies, on the service offered by his department.

He also visited the Neil Nettleship agency in San Diego.

Mr. Amos has named Mrs. Marie H. McGlawn of Los Angeles as his assistant for southern California. She will issue policies and handle claims in that district. She has had 15 years experience in accident and health underwriting and adjustment of claims.

### Name Chicago Chairmen

Charles N. Dubach, Hartford Accident, president Chicago Accident & Health Association, has appointed R. B. Kegley, Moore, Case, Lyman & Hubbard, and Donald E. Compton, Hartford Accident, co-chairmen of the membership committee. R. W. Abbott, Provident

Life & Accident, heads the educational committee and T. S. Brewster, Monarch Life, the entertainment. At the June 1 meeting President Dubach will announce plans for the coming year and arrangements will be made for a summer outing to replace the regular meetings in July and August.

### New Reimbursement Form

The "double security" accident and sickness reimbursement policy of the Continental Casualty pays up to \$500 on an allocated basis for hospital room, nurse, surgical operation, x-ray, laboratory fees, etc. On the sickness side, it covers for hospital room at \$5 a day for 30 days, nurse at \$5 for 30 days, x-rays at \$3 each up to \$15, operating room and laboratory fees up to \$25. It also includes \$1,000 capital sum for accidental loss of life and \$5,000 principal sum for dismemberment losses. The annual premium for class A risks, men and women, is \$28.50.

### Good Attendance for Conference

All indications point to a very large attendance at the annual meeting of the Health & Accident Underwriters Conference next week at White Sulphur Springs, Va., although the attendance is usually not as large when the meetings are held outside of Chicago as for the ones in that city. More than 100 advance reservations have already been received, including ladies, which on the basis of past experience indicates a total attendance of nearly twice that number.

Harold R. Gordon, executive secretary of the conference, is attending the annual meeting of the Bureau of Personal Accident & Health Underwriters this week at Rye, N. Y., and will go on directly from there to White Sulphur Springs for the conference meeting.

### Set New Monthly Records

A total of 40,812 applications in April—6,231 applications above April, 1936—set an all-time monthly production record for Mutual Benefit Health & Accident of Omaha.

An all-time April record of \$5,476,200 of new life business submitted also was set by its companion company, the United Benefit Life, an increase of \$2,258,550 over April, 1936.

The records were suitably observed by presentation of a birthday cake and the applications to Dr. C. C. Criss, president. Dr. Criss carved the cake and sent a piece to each branch agency.

### Juergens Kansas City Manager

C. H. Juergens, formerly assistant superintendent of claims in the home office of the Mutual Benefit Health & Accident and United Benefit Life, has been appointed Kansas City manager, succeeding Ira H. McRae, resigned. He graduated from Creighton University law college in Omaha in 1930, shortly afterward entering the home office claim and legal department. Since joining the companies he has spent much of his spare time in the field carrying a rate book.

### New Accident-Health Committee

TORONTO, May 19.—A new committee of representative accident and health underwriters is in process of formation here. An earlier committee in this field made some progress in regard to premium rates and standard policy forms, but failed to agree on agency commissions.

### Boston Claim Men Elect

At the annual meeting of the Boston Life & Accident Claim Association, the following officers were elected: President, W. A. Robinson, Employers Liability; vice-president, J. W. Ayer, New England Mutual Life; treasurer, George R. Bacon, Massachusetts Accident; secretary, H. H. Noel, Equitable Life of New York, H. W. Nunn, Loyal Protective, retiring president, and H. E. Walker of Pinkerton's National Detective Agency, were elected to the execu-

### Writes 96 of 125 Eligibles on Edge of Arctic Waste

Lewis Broadfoot, special agent of the Mutual Benefit Health & Accident at Goldfield, Sask., which is only 50 miles from the barren lands surrounding the north pole, has written 96 applications out of approximately 125 employed men in the small community of only a few hundred population.

However, Goldfield is growing as a mining center and Mr. Broadfoot anticipates even more business, though the only contact with the outside world is by plane, boat or dog team. Oranges are \$20 a crate, eggs 85 cents per dozen, flour \$14 per 100 pounds and there are no potatoes.

tive committee for two years. E. J. Morris, superintendent of policy claims of the Equitable Life, was the guest speaker.

### New Carrier Absorbs Three

The Physicians Life has been organized in San Francisco to take over the business of the Mt. Moriah of San Francisco, Redwood Mutual Life of Fresno and United Hospital Service of Sacramento. It will operate as a so-called chapter 9 company. The head office is at 333 Kearney street. H. L. Hauck is president. He states that it has about 30,000 policyholders. It will write life, health and accident and hospital policies.

### Takes Inter-Ocean in Detroit

L. L. Williams has become general agent in Detroit of the Inter-Ocean Casualty, with office at 1032 La Fayette building. Before joining the Inter-Ocean, he was for six and a half years with the Illinois Bankers Life as manager of its monthly premium accident and health department in Chicago.

### Average Auto Case \$168

In a survey in cooperation with the San Francisco department of health, the Insurance Brokers Exchange of San Francisco found that the average automobile accident case in the San Francisco Hospital cost \$168 for hospitalization, averaging 42 days at \$4.

### Eber with Phoenix Indemnity

Felix Eber has resigned as accident and health manager for the Edward Brown & Sons agency of San Francisco to become manager of the same department in the coast office of the Phoenix Indemnity.

### Extend Iowa Business

The Hartford Accident is planning to expand its accident business in Iowa and has secured the insurance department's approval of its industrial, vacation and new death, dismemberment and medical reimbursement forms.

### C. I. O. Claim Pamphlet

A pamphlet published by the United Automobile Workers of America—the C. I. O. organization—has been circulated among workers in the Detroit area. It outlines suggested procedure for making claims against employers on account of occupational disease. The Michigan law does not make occupational diseases compensable, but the C. I. O. pamphlet points out possible grounds for action at common law. The workers are advised to consult a lawyer and to see the C. I. O. doctor.

### Ace Mutual Holding Schools

The Ace Mutual of Des Moines is holding a series of 15 automobile insurance agency training schools throughout Iowa.

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## CASUALTY PERSONALS

**Henry Thole**, vice-president of Seaboard Surety, is on an agency trip of about three weeks throughout the middle west and Texas. The cities that he is visiting include Chicago, St. Louis, Kansas City and several points in Texas.

In appreciation of the 25th anniversary of his service with Royal Indemnity, **Barnett Cohen**, for the past 10 years in charge of its legal department, was tendered a party by President F. J. O'Neill. Every executive as well as a number of staff members attended. When Mr. Cohen joined Royal Indemnity in 1912, the company had been in existence but 12 months, and in the years he has witnessed its development to its present great proportions. After some years as a member of the legal staff, Mr. Cohen was advanced to its management in succession to Mr. O'Neill, when the latter was elected president in 1927.

Insurance newspaper men were luncheon guests of **J. A. Beha** at the India House in New York City Monday. Mr. Beha, who retired as general counsel of the Association of Casualty & Surety Executives and the National Bureau of Casualty & Surety Underwriters some weeks ago, to engage in private law practice, has ever been popular with newspaper men, a feeling that apparently is reciprocated.

**F. Robertson Jones**, secretary International Association of Casualty & Surety Underwriters for many years, who with his wife left New York on a world cruise last October, is due home early next month.

**M. J. Scheemeacker**, bond manager for the Standard Accident in Chicago, is in Seattle making arrangements in connection with a bond for an electrical project in the state of Washington by the Schulman Electric Company.

**V. E. H. Hoagland**, 61, died suddenly at his home in East Orange, N. J. He was for many years with the New Jersey Fidelity & Plate Glass of Newark and up to the time that the company was taken over by the New Jersey department in 1932, was vice-president of the company.

The body of **G. J. Corless**, 34, Chicago, an underwriter with the T. H. Mastin reciprocal organization, was found in a creek west of that city. He disappeared May 3. Mr. Corless went from the Kansas City office force earlier this year. His watch and money were missing.

President **M. B. Brainard** of the Aetna Life organization has been elected a director of the New York, New Haven & Hartford railroad to succeed the late President Edward Milligan of the Phoenix Fire of Hartford.

**W. C. Ramm**, chief compensation and liability underwriting departments Fireman's Fund group since 1930, and connected with the companies since 1928, died at his home in San Francisco following a stroke. He was well known in the liability business on the Pacific Coast, having entered in 1898 with the old Voss-Conrad & Co. general agency, which later was taken over by Duncan-Rehfsch. When the late David Duncan became Pacific Coast manager of Globe Indemnity, Mr. Ramm became his underwriter. In 1917 Mr. Ramm entered the general agency business, becoming

associated with R. W. Sloan and later with L. C. Jones. He was with Voss-Conrad about 17 years, most of the time cashier. Later his experience carried him to the Pacific Northwest as adjuster.

**A. G. Kuhns**, one of the veteran Chicago casualty men, dating his experience back to 1880, died at Niles, Mich., from

creeping paralysis. He was the father of A. D. Kuhns, for some years Chicago manager New Jersey Fidelity & Plate Glass, and S. W. Kuhns, who was connected with A. D. The father started in Chicago with H. B. Warner, general agent Union Casualty, becoming plate glass manager. Later the office took the New York Plate Glass, then in 1900 Mr. Kuhns became general agent of the New Jersey, opening his own office at 29 South La Salle street, as A. D. Kuhns, Jr. & Co. He joined forces in 1912 with C. F. Pogge in the firm Kuhns & Pogge, which continued to 1919 when Mr.

Kuhns retired. His son A. D. had joined him in 1913, then after war service rejoined the New Jersey in 1920 as special agent. A. G. Kuhns was a founder of the old Cook County Plate Glass Bureau which operated for about four years. He also is credited by his son A. D. with originating the New Jersey's plan of merit rating automobile risks. He was a Mason.

**Leroy Caverly**, for the past seven years with Johnson & Higgins, has been named as manager of the fire and casualty department of R. O. Fleming & Co., Seattle.

**"Unforeseen events . . .**  
*need not*  
**so often change and shape the course of man's affairs"**



*going . . . Going . . . GONE! . . . an old and treasured friendship*

THERE'S ONE GOOD RULE to remember when a friend asks you to sign a surety bond, and that is: "Don't." In reality he's asking you to encumber your property, your earnings for years to come and to jeopardize your friendship. No friend would ask such a favor...and no friend would grant it...if either realized what an unnecessary risk the signer was taking.

How much safer . . . and how much better . . . to let the broad shoulders of The Maryland assume these bonding

responsibilities! The Maryland issues every form of judicial bond that may be required—executor, administrator, guardian, trustee and receiver . . . and all the forms involved in court proceedings.

There are 10,000 Maryland agents throughout the United States, Alaska, Canada, Cuba, Puerto Rico, the Canal Zone and Hawaii who are qualified to advise and assist the man who requires the protection of a judicial bond.

## THE MARYLAND

MARYLAND CASUALTY COMPANY • BALTIMORE

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Can you use the services of a man not yet 40, a lawyer with trial experience, who has investigated and adjusted claims for fire, automobile and casualty companies, served as branch office manager and home office claims superintendent; who is well versed in all forms of fire, automobile and casualty insurance including workmen's compensation and fidelity and surety bonds? Willing to travel. Initial salary secondary to security of employment and opportunity for advancement. Address  
F-78 NATIONAL UNDERWRITER

*This advertisement appears in FORTUNE • TIME • FORBES and BUSINESS WEEK during the month of May*



# PERSONAL LOSS

*A Constant Threat to*

## FIDUCIARIES

**F**IDUCIARIES, when named as defendants in civil action resulting from injury to persons while on property in their control, have been declared *personally* liable. Suit begun, there follows a costly maze of legal red tape. Often well-planned fraudulent claims make "negligent" parties helpless victims of collusion.

But if covered by the public liability policy of a nationwide and financially strong institution, the assured is relieved of responsibility and expense connected with medical attention, investigation of accident, negotiation and defense, costs taxed, judgment and often appeal bond before judgment is finally affirmed.

Alert agents will point out to fiduciaries and rental agents danger of *personal* loss through liability of the estate or principal, and needed protection in public liability insurance of a well-established company.

*Write or ask for literature on thought-provoking court decisions and descriptive list of policies available to various persons exposed to liability for injury or damage.*

**AMERICAN SURETY COMPANY**

*Organized 1884*

**NEW YORK CASUALTY COMPANY**

*Organized 1890*

HOME OFFICES: 100 BROADWAY, NEW YORK

Branch Offices in principal cities

*Both Companies write Fidelity, Forgery  
and Surety Bonds and Casualty Insurance.*

## FIDELITY AND SURETY NEWS

### Confer with Mutual Banks

**Surety Association Companies Are Seeking to Reach Understanding on Blanket Bond Coverage**

An indication that the Surety Association of America has taken steps to provide a form of banker's blanket bond that will be more attractive to mutual savings banks is found in the report of the insurance committee of the National Association of Mutual Savings Banks at its recent annual meeting in New York. The committee stated that it had approached the subject of employing form 5, which is offered generally by surety companies for use of mutual savings banks, and has indicated its willingness to consider for recommendation "such improved and economical forms of coverage as might be suggested by the Surety Association of America."

"However, no concrete plan has been submitted," the committee stated, "and until more attractive features of coverage are forthcoming, our duty leads to continued recommendation of the 'NAMS' form now largely in use. We wish, however, to suggest a careful review of the need of adequate coverage in amount of the bond to conform with the individual location and condition of each member."

#### U. S. Guarantee Main Factor

The United States Guarantee with its so-called "NAMS" bond has secured a large part of the blanket bond business of the mutual savings banks. Just last week in a journal that gets into the hands of the management of such banks, U. S. Guarantee had an advertisement in the interest of its bond.

Entitled "Let's Look at the Record," this advertisement stated: "Ten years ago the United States Guarantee Company agreed to cooperate with the mutual savings banks to provide them with the banker's blanket bond, to be known as the 'NAMS' form, in which broader coverage would be afforded for the hazards of their business than have been available under the old form 5 and form 2 blanket bond, and at more equitable rates. The savings banks have long endeavored, with no success, to obtain the recognition that their records deserve, so that this move on the part of the United States Guarantee Company was a distinct innovation. Through the issuance of the 'NAMS' bond, the banks obtain through its broader coverage, among other features, retroactive reinstatement of bond amount, considerably broadened fidelity coverage, and full forgery coverage."

#### K. C.-St. Louis Get-Together

KANSAS CITY, May 19.—The first semi-annual get-together of St. Louis and Kansas City surety men was held here, with about 50 surety managers participating. Eighteen came in from St. Louis, spent the morning visiting branch offices, and joined more than 30 Kansas City surety men for luncheon. They played golf at Blue Hills Country Club in the afternoon and a banquet was held there in the evening.

F. A. Brinkman, branch manager National Surety, was in charge. In the fall a similar affair will be held in St. Louis, with Kansas City surety men as guests.

#### Big Bond Soon to Be Written

NEW YORK, May 19.—Bids for the construction of river tunnels and shafts of the Queens Midtown tunnel will be opened by the New York City Tunnel Authority May 27. The estimated cost of the work is \$18,000,000 or more, and the time required for its completion 45 consecutive calendar months. A bond of \$2,000,000 must be given by the successful bidder. The Towner Rating Bureau has fixed a rate of \$9 on the contract price for the term pre-

mium payable in advance. As determined by the surety cost conference, the maximum production cost of the bond is 12½ percent, of which 7½ percent will go to the producer.

#### Relieve Bonding Companies

MADISON, WIS., May 19.—The Wisconsin assembly has passed the Balzer bill relieving bonding companies from losses on the full amounts of bonds on tavern keepers. The measure provides for a just and equitable amount fixed by the court instead of the full amount of the bond in case of breach of condition.

#### Cochran's Bills Fail

LINCOLN, NEB., May 19.—Governor Cochran was unable to get the legislature's judiciary committee to report before adjournment on the three bills he submitted aimed at bonding and surety companies.

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## CHANGES

### Gauthier Goes to Los Angeles

**Resigns the General Accident at Peoria to Take on the Massachusetts Bonding**

P. J. Gauthier of Peoria, Ill., manager of the General Accident, has resigned to become Los Angeles manager of the Massachusetts Bonding. The appointment was made by Vice-president Spencer Welton. Mr. Gauthier started his insurance career with the Rockwood Company of Chicago. On his return from the war he became connected with Ocean Accident and then went with the Metropolitan Casualty in 1924 as special agent in its surety department. A few years later he took charge of the surety department in the Chicago office, remaining there until the Commercial Casualty and Metropolitan Casualty branch offices were merged when he went to Milwaukee as manager for both companies. He became manager for the General Accident at Peoria in 1935.

### Daly with Ocean Accident

John Daly has joined the Ocean Accident in Chicago as special agent in the accident department. He has operated as a broker for the past two years or so. Previously he was surety manager in Chicago of Royal Indemnity.

Ocean Accident is becoming considerably more of a factor in the accident business in Chicago territory. Manager J. E. Callender is much interested in this department. Just recently Ocean Accident came out with an over-age accident contract that has proved very popular. Ocean Accident is the only insurer other than London Lloyds that furnishes such a contract.

### Thomson at Los Angeles

J. L. H. Thomson, for six years with the Home of New York companies in Newark, is now located in the Los Angeles offices in charge of liability claims for the Home Indemnity.

### National Mutual Appointments

The National Mutual Casualty, Tulsa, Okla., has appointed J. L. Finegan manager of its claim department and J. A. Tillotson assistant manager. Mr. Finegan has been identified with several Tulsa agencies, and Mr. Tillotson formerly was treasurer of Nowata county. J. A. Frates, Jr., is president of the National Mutual.

## COMPANIES

### Autoist Mutual Reinsures Its Minnesota, Iowa Risks

Autoist Mutual of Chicago has reinsured all of its business in Minnesota and Iowa with the Western Fire and Western Casualty of Fort Scott, Kan. Autoist Mutual will now retire from those two states. The reinsured business amounted to about \$200,000. The company is also withdrawing from Wisconsin. It has very little business in that state.

Giving effect to the reinsurance, Autoist Mutual management states that net surplus now amounts to at least \$75,000 and maybe as much as \$90,000. Overhead has been reduced at the rate of about \$40,000 a year. It will confine its operations to Michigan, Indiana and Illinois. Its unprofitable business, mainly trucks, has already been cancelled.

### ENDS STRIFE IN MINNESOTA

ST. PAUL, May 19.—The Autoist Mutual reinsurance ends a controversy be-

tween the Minnesota department and Autoist Mutual during which the company brought a court action to restrain the department from canceling its license in Minnesota. This case never came to a head, as the opening of reinsurance negotiations indicated that further court action would be unnecessary.

### Trans-Western Surety Setup

OKLAHOMA CITY, May 19.—At the organization meeting of the Trans-Western Surety & Insurance of Oklahoma City, L. J. Mullen, insurance attorney, was elected president; J. L. Fitz-

Gibbon, manager of Rex-La Pecan Orchards, vice-president; T. N. Wells, special agent Connecticut Mutual Life, treasurer, and C. D. Tribbey, certified public accountant, secretary. In addition to the officers, the directors include M. S. Runyon, in the administrative office of the Social Security Board, former banker, and with several years insurance experience; A. F. Porta, attorney for the state banking department, and Dr. G. L. Hyroop, physician, all of Oklahoma City.

The company plans to write multiple lines of casualty and surety. It is

capitalized at \$500,000, with sufficient subscribed to obtain a charter.

### Withdraws from Wisconsin

Builders & Manufacturers Mutual Casualty of Chicago has withdrawn from Wisconsin.

### Casualty Company Notes

The Accident & Casualty of Switzerland has been licensed in Minnesota.

The Badger Mutual Live Stock of Milwaukee has been examined by the Wisconsin department as of Dec. 31, showing assets \$2,281 and liabilities \$1,589, leaving surplus \$692.



## For Valor

### A NOTICE TO LAWLESSNESS

The forces of law and order do not rely on police and official enforcement alone. They operate through every good citizen.

When a fine example of American devotion to duty occurs—an example of magnificent personal courage defeating the forces of crime — National Surety Corporation has provided a fitting recognition. The National Surety Corporation Medal For Valor was especially designed and created to be a beautiful and permanent tribute to bravery in defense of property.

But stronger than any individual's courage and devotion is the invisible armor provided by National Surety Fidelity protection. Prepared for prompt payment of just claims it stands as a ready cash safeguard to the hundreds of thousands who dwell securely in National Surety Town.

National Surety representatives everywhere — themselves picked men — are selling Fidelity bonds and blanket bonds; plus protection against burglary, forgery, and many other dangers.

**NATIONAL SURETY CORPORATION**  
VINCENT CULLEN, PRESIDENT  
*New York*

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**No CLAIM IS LEFT  
To  
CONJECTURE, SPECULATION  
OR GUESS**



**Great Lakes Casualty Company**  
Detroit, Michigan

## BITUMINOUS CASUALTY CORPORATION

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Chairman of the Board  
and President



R. D. COBURN  
Executive Vice-President  
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Vice-President

**SINCE JULY 1, 1917, THIS ORGANIZATION HAS SPECIALIZED  
IN THE WRITING OF WORKMEN'S COMPENSATION  
INSURANCE**

**AS OF DECEMBER 31, 1936:**

**TOTAL ADMITTED ASSETS.....\$4,286,770**  
**SURPLUS TO POLICYHOLDERS..... 946,731**

**Based on market value of all securities  
surplus to Policyholders would be.. 1,098,944**

**INQUIRIES REGARDING WORKMEN'S COMPENSATION, PUBLIC  
LIABILITY AND PROPERTY DAMAGE (Other than auto-  
mobile) INSURANCE, ADDRESSED TO OUR NEAREST  
GENERAL AGENT OR BRANCH OFFICE, ARE  
INVITED**

HOME OFFICE .....	CLEVELAND BUILDING .....	ROCK ISLAND, ILL.
Charles G. Baeder.....	Insurance Exchange Bldg.....	Chicago, Illinois
W. A. Schickedans.....	10-A W. Washington.....	Belleville, Ill.
V. C. McDonald.....	Heyburn Bldg.....	Louisville, Ky.
Wm. P. Rollins.....	130 E. Washington Bldg.....	Indianapolis, Ind.
J. L. Carson.....	Insurance Exchange .....	Des Moines, Iowa
C. F. Crist & Company, Inc.....	Elmhurst Bldg.....	Kansas City, Mo.
Walsh Insurance Agency.....	Webb Crawford Bldg.....	Birmingham, Ala.
Hicks-Brady Company .....	Harry Nichol Bldg.....	Nashville, Tenn.
R. A. Hesse.....	721 Pierce Bldg.....	St. Louis, Mo.
T. H. Maenner, Inc.....	210 So. 19th St.....	Omaha, Nebraska
J. Austin Dilbeck Insurance Agcy.....	Trust Company of Georgia Bldg.....	Atlanta, Ga.

## COMPENSATION

### Safety Engineers Speakers

**Midwest Safety Conference Hears Talks  
on Occupational Disease and Other  
Industrial Hazards**

The occupational disease question and practical ways of reducing this hazard formed one of the principal discussion topics at the annual Midwest Safety Conference meeting in Chicago last week, at which engineers of several mutual casualty companies spoke. There was considerable attention given to accidents in commercial and mercantile establishments and ways of eliminating these.

Most of the talks were technical in nature. Engineers were urged to remember that the entire picture must be considered in determining dust hazard in a plant. A dust count signifies little unless such factors as "housekeeping" are considered; that is, installing air-purifying apparatus will not overcome the trouble unless there is a proper place for dust-bearing goods, trash, etc., away from the area where workers spend most of their time.

Among speakers were C. F. Otto, director safety education and Dr. E. G. Meiter, director industrial hygiene laboratory, Employers Mutuals of Wausau, Wis.; J. S. Butler, safety engineer, and R. R. Meigs, foundry safety supervisor, Liberty Mutual.

### Georgia Commission Hears Gainesville Tornado Cases

ATLANTA, May 19.—The Georgia industrial commission is reviewing more than 100 compensation claims, resulting from the destruction of the Cooper Manufacturing Company in the Gainesville tornado last year, preliminary to an appeal to the courts.

H. M. Stanley, commissioner of commerce and labor, heard evidence at Gainesville in the claim of W. R. Shields against the Cooper Manufacturing Company for injuries growing out of the destruction of the plant by wind and fire, which was made a test for more than 100 other claims against that company. Commissioner Stanley granted awards for compensation in 89 cases in one ruling.

The company's defense is that the tornado was an act of God and therefore the employer and its insurance carrier, the Lumbermen's Mutual Casualty, are not liable. The petitioners contend that the nature of the building and the position of the door at the exit for employees caused them to be trapped and burned in the fire following destruction of part of the building by the wind-storm.

### Report New Jersey Experience

NEWARK, May 19.—The compensation loss ratio over the last 20 years has averaged 61 percent, according to the annual report of Manager A. R. Lawrence of the Compensation Rating & Inspection Bureau of New Jersey. This is about 2 percent above the designed permissible level. The latest five-year period shows: Participating companies, earned premiums, \$21,811,792; incurred losses, \$12,329,489; loss ratio, 56.53 percent; non-participating companies, earned premiums, \$37,329,654; incurred losses, \$20,611,630; loss ratio, 55.22 percent.

The number of assigned risks continues to grow each year, despite every effort to the contrary, said Mr. Lawrence. There is a considerable annual replacement of assigned risks by direct assumption and about one-half of all current applicants are accepted as voluntary business. Assigned risks account

for only .6 percent of the total number and .8 of the premium income.

The following companies were elected to the governing committee: Liberty Mutual, New Jersey Manufacturers Casualty, Maryland Casualty and the Hartford Accident. Forty-four company representatives were present at the meeting.

### Apportionment of P. L. Loss Same as Fire, Court Holds

An interesting suit involving apportionment of liability between insurers has been decided by the New York appellate division, first department, in favor of the Lumber Mutual Casualty and against (American) Lumbermen's Mutual Casualty.

As the result of an accident Feb. 11, 1934, resulting in bodily injuries or death to three, damages amounting to \$47,500 were recovered from the Yellow Products Corporation in New York supreme court.

Lumbermen's Mutual had a \$250,000 liability policy on Yellow Products and Lumber Mutual had a \$50,000 policy.

Lumbermen's Mutual Casualty contended that Lumber Mutual should contribute one-half of the loss, whereas Lumber Mutual insisted that it is liable only for one-sixth. The court upheld the position of Lumber Mutual. The "other insurance" clause of the Lumber Mutual policy states that where the assured carries other insurance against any loss covered by the policy, assured shall not recover a greater proportion of the entire loss (\$47,500) than the amount insured (\$50,000) bears to the total amount of valid and collectible insurance (\$50,000 plus \$250,000 making a total of \$300,000), that is, the assured may not recover more than the proportion represented by a fraction, the numerator of which is \$50,000 and the denominator \$300,000 or one-sixth of the loss.

The court stated that the language of the "other insurance" clause in Lumbermen's Mutual policy and in Lumber Mutual's policy is substantially identical. The same method of apportionment of liability is accordingly prescribed for both insurers.

The New York courts have consistently construed this pro rata clause in fire policies to mean that the insurer shall not be liable for any greater proportion of any loss which might occur than the amount in the policy shall bear to the entire amount of insurance on the property. The words "total amount of collectible and valid insurance," means insurance which is capable of protecting the insured. It merely excludes invalid or illegal insurance (such as insurance which is voidable for misrepresentation) and uncollectible insurance (such as insurance of an insolvent company) from the computation of total insurance for the purposes of apportionment. Courts in other jurisdictions have interpreted the other insurance clause in casualty policies and have consistently held that the same method of apportionment of liability as used in fire or other insurance is to be applied.

### Philadelphia Glass Rates Cut

A small reduction in plate glass insurance rates in Philadelphia has been introduced effective Thursday of this week. In zone 1, the new differential is 45 percent. Heretofore it has been 40 percent. In zone 2 the new differential is 62½ percent, old 60 percent.

Plate glass insurance rates were increased throughout Pennsylvania on March 15, because of the increased cost of glass. Since then replacement costs in Philadelphia and the metropolitan district have been substantially reduced and the rating bureau of the National Bureau of Casualty & Surety Underwriters decided upon the rate reduction.

H. E. Bouton, claim adjuster in Cincinnati for Pacific Mutual Life and formerly with the Travelers several years, will handle claim adjustments for Ohio Casualty, working from the home office.

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## Rush Tells Agents of State Control

(CONTINUED FROM PAGE 25)

which there is not serious competition, saying the casualty business has grown sufficiently that there are many fields that are overlooked. He suggested products liability, contractual liability, premises and elevator liability, direct and non-ownership automobile, fidelity and surety coverages, burglary, accounts receivable, etc. He also said the agent should approach a prospect on the basis of giving him complete protection, stressing lines that have not been brought to his attention previously.

### Opportunities Slip By

As an example of opportunities that have slipped by, Mr. Rush told of a survey made of 9,000 prospects, all of whom needed fidelity coverage. Only 740 had ever been solicited. He cited the masters and comprehensive fiduciaries liability policies as examples of new forms being brought out as needs have arisen. The core of the whole canvass is adequate preparation to finding out all one can about the prospect's business and needs, Mr. Rush advised. If the agent does not do this, he not only does not get the business but often creates antagonism. If the agent knows what he is talking about, he is not only likely to get the business, but to get other lines as well.

## Close Cooperation Aids A & H Line

(CONTINUED FROM PAGE 23)

analyzed these and cited several court decisions on provisions 1 and 3. In conclusion, Mr. Cox urged the bureau to obtain greater uniformity among member companies with regard to premium collections and renewal practices and a clearer understanding with agents and policyholders on suspension of coverage after the grace period.

### Need Uniform Payment Method

H. S. Don Carlos, manager life, accident and group claim department Travelers, spoke on "Reimbursement Problems." The underlying thought of Mr. Don Carlos' talk was the necessity of uniformity of claim payments by companies having uniform provisions in their policies. Asserting his belief that the reimbursement clause covers treatments by practicing osteopaths, chiropractors, Christian Science practitioners and other practicing well established healing methods, he said payment should not depend upon the licensing of that practice in the state, but on the success in that art with common sense limitations. This means a reasonable fee, a diagnosis proving the disabling condition comes under the accident policy, treatments within the scope of the practitioner and acquiescence of the claimant to submit to recommended treatment, provided it is a reasonable one. He, however, excepted "absent treatments" of Christian Science practitioners. Payment of the nurse's fee should be made, the speaker said, provided he or she is acceptable to the physician as being capable.

### Unusual Expenses Should Be Met

Referring to the 26 weeks limit, Mr. Don Carlos observed that underwriters might limit the coverage to items incurred within that time, but he added that further expense due solely to the original injury should be covered. The cost of appliances or any unusual expenses should be met within reasonable and customary limits, he stated. Touching the subject of over-reimbursement, the speaker could only advise the rewriting of all risks as soon as duplication of the coverage was discovered. He expressed the opinion that few policyholders would ask payment under the reimbursement clause when they also belong to a hospital association, but that all medical expenses should be met by

the company. In conclusion he appealed for a bit of "heart control" as well as head control.

## Texas Agents Fight Giving Exposition Cover to Lloyds

(CONTINUED FROM PAGE 24)

ment committee of the Dallas Insurance Agents Association to use the Exposition as the chief entertainment attraction for the annual convention of the National Association of Insurance Agents are being held up pending a satisfactory settlement. Assistant Secretary J. B. Miller of the National Association inspected the exposition grounds last week and was particularly pleased with the proposed plan of leasing the beautiful night club, which will be housed in the municipal auditorium on the grounds, and turning it over to the convention delegates exclusively.

The protests were presented to the

executive committee of the Exposition, which postponed action because of absence of Mr. Sleeper. Director general McNeny, who refused to comment on the protests, said a conference is now planned between Mr. Sleeper, H. I. Maxson, a Dallas local agent who was awarded the liability lines, and representatives of the exposition, with the possibility that a change will be made in the contract to meet the protests.

No claim is being made against this year's exposition for the unpaid balances due insurance agents from last year's Centennial. "That's water over the wheel," said Mr. Ellis, "and we will take our loss along with other creditors as every cent put in the Centennial was a fine investment for the great southwest. Our only protest is the bringing into Texas of an insurance carrier which has already caused such disturbance in Illinois."

G. B. Howard, Spindale, N. C., has been appointed a county commissioner to fill a vacancy.

## American Casualty Names New A. & H. Supervisor

The American Casualty of Reading has appointed A. E. Kirchner supervisor of the accident and health department. For ten years he has been special representative of the accident and health department of the Travelers and the Aetna Casualty, having graduated from the training schools of these companies. He has had experience in actively soliciting accident and health insurance, as well as his company experience.

President H. G. Evans says Mr. Kirchner's appointment starts the reorganization and development of the company's accident and health department and that within the next few months several new and "decidedly different" policy contracts will be released.

Mr. and Mrs. W. H. Bruner of South Bend, Ind., announce the birth of a daughter. He is a local agent.



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## Problems in New O. D. Law in Indiana Are Discussed

(CONTINUED FROM PAGE 25)

cases reported, the possibilities are not nearly exhausted. When the laymen become fully aware of the diseases compensable under the Indiana law are unlimited.

The list of diseases is almost without end when there is blanket coverage. Bone felons, poisoning of sundry kinds from chemicals used in manufacturing,

frost bite, and it is possible that mental injury could be compensable. The Indiana law also makes compensable permanent disfigurement which may impair the future usefulness or opportunities of the employee. The time of payment will not exceed 200 weeks and a certain discretion is given the industrial board, but the fact remains that subject to a few exceptions, the extent to which this provision might reach is inestimable. Especially is this true where large numbers of women are employed since the act says that compensation is allowable where the opportunities of the employees

are impaired. The act does not say opportunities for employment and might be construed in the case of a woman as opportunities for marriage.

The New York law lists 27 compensable diseases. In 1935 there was added a 28th, which provides that compensation shall be for "any and all occupational diseases." Due to the diversity of Indiana industries, the new law will compensate everything as an occupational disease which is now compensable in any other state running the gamut from anthrax through glanders, poisonings and various respiratory, gastrointestinal or physiological nerve and eye disorders due to contacts with petroleum. There is one saving clause in the Indiana law. In section 6 it is said, "The disease must be incidental to the character of the business and not independent of the relation of employer and employee." This phrase would seem to indicate an intention to limit the rights of employees to compensation only for those things which grow out of the business or occupation and not give a right to compensation for any disease contracted independently of the particular job which the employee was performing. That is to say, a miner who contracted pneumonia as a consequence of being made to work in water could not come within the provisions of the act unless he could show that the pneumonia was an incident to his breathing in dust or gases, etc., or in the language of the act unless the disease were to follow as an incident of an occupational disease.

### Should Get Case History

The act at section 27 (a) provides that "an employee shall be conclusively deemed to have been exposed to the hazards of an occupational disease when for any length of time, however short, he is employed in an occupation or process in which the hazard of the disease exists. The employer liable for the compensation provided for in this act shall be the employer in whose employment the employee was last exposed to the hazards of the occupational disease claimed upon regardless of the length of time of such last exposure. . . ." A provision by way of an exception in the cases of silicosis and asbestosis is made. This section is so worded that an employer who is engaged in an industry, the employees of which are subject to occupational disease, will have no means of estimating his probable cost for compensation unless he makes some provision against employing people from other similar industries without first obtaining a case history. As an illustration, one engaged in the manufacture of paints and varnishes may contract, let us say, lead poisoning. He may seek employment with another employer engaged in the same business before the disease manifests itself. Under the Indiana law, the second employer will be liable for the compensation, unless he is insured, in which case his insurer will be. Thus the employer who has the greatest transient help will be subject probably to the greatest insurance burden.

The act is so broad that not for five or 10 years will it be known just what is covered. Even then, the fact that diseases following as incidents of occupational diseases are compensable, leaves legions of possibilities for boards and commissions to extend the effect of the act.

## Award for Valor



The National Surety's "award for valor," a gold medal, was awarded to C. V. Jones, assistant cashier First National Bank, Baird, Tex., for frustrating a holdup of the bank Sept. 25, 1936. Although covered by the holdup man's pistol, Jones secured a gun and began shooting. The robber fled but was captured by police. The award was presented by R. W. Harvey, Jr., Dallas, National Surety manager in Texas. The medal is presented from time to time in recognition of fine examples of devotion and courage in defense of property, over and above call of duty.

### Nashville Claim Men Elect

The Nashville Claim Men's Association at its May meeting reelected all its old officers. They are: Wm. Cox, president; W. B. Ferguson, first vice-president; R. E. Goodson, second vice-president, and H. T. Finley, secretary and treasurer. This organization has been very active during the year. At the monthly meetings have been heard doctors, members of the local bar, and members of the police department in charge of safety and the recording of information relative to accidents.

The association has its own index bureau supplementing that of the South-eastern Index Bureau.

### Death of E. J. Schoonover

E. J. Schoonover, 64, died Monday night at his home in Indianapolis. For 35 years he had been active in casualty circles and at the time of his death was general agent of the Columbia Casualty, American Bonding and the Sussex Fire. Born in Lafayette, Ind., he entered the insurance and real estate business when 19 and after about 10 years went to Indianapolis.

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## Prosecutor Tells Claim Men of Fake Accident Campaign

An interesting description of the campaign against the fake accident racket in Chicago was given by James Brown, assistant state's attorney in charge of such prosecutions, at the May meeting of the Chicago Claim Association, the last of the present season. Mr. Brown, who has obtained 29 consecutive convictions in accident fraud cases, without an acquittal, urged that the insurance companies and their claim representatives turn over to his office any cases in which there is even a strong suspicion of fraud and promised the fullest cooperation in the prosecution of any such cases.

Following his talk, George A. Egan, superintendent of claims Checker Cab Company, showed motion pictures that were actually used as evidence in court in one of the cases which Mr. Brown prosecuted successfully. These pictures, showing the development and carrying out of a conspiracy to defraud both the Checker and Yellow Cab Companies by means of a fake accident, were taken at a distance of half a block from where the conspirators held their conferences, by means of a movie camera equipped with a special telescopic lens.

Capt. Victor Kleber also showed pictures of Paris, and the International Exposition to be held there this year. The meeting, with more than 100 in attendance, was held in the assembly room at the Union Station, following a dinner on dining cars of the Milwaukee railroad, at which the wives of members were guests of the association for its annual ladies night.

## Pittsburgh Now All Set for Pennsylvania Days Program

More details have been announced regarding the Pennsylvania Insurance Days program June 3-5 in Pittsburgh sponsored by the Insurance Federation of Pennsylvania.

At the accident and health conference Dr. George A. Enion, chief medical examiner of the Industrial Life, will discuss the medical division's functions; William S. Corey, vice-president Provident Independent Life, Health & Accident, will speak on sales promotion; and Albert Ries, secretary Philadelphia Mutual Aid Society, will talk on company cooperation with the agency force.

An added feature of the fire and casualty conference on June 4 will be a demonstration on the whys and wherefores of unknown fires by F. A. Hoffman, special agent of the Mutual Fire of Chester county.

### Kaufman Expects Record

Frank S. Kaufman, Pittsburgh, manager of the Travelers, chairman of the banquet committee, announces that reservations indicate a record attendance. The principal address will be made by Dr. Virgil Jordan, president of the National Industrial Conference Board, who will discuss the prospects of American prosperity. The conservation of life and property award will be presented. Deborah Franklin's double will be given a diamond wrist watch. The feature of the banquet will be a pageant arranged by the Pennsylvania Fraternal Congress.

### Unpaid Situation Improves

Unpaid earned premiums of fire companies last December amounted to \$13,851, decrease \$5,910, with 5,375 entries, decrease 1,694, according to the report of the Central Bureau of New York. Unpaid earned premiums of casualty companies amounted to \$75,749, decrease \$7,642, with 3,094 entries, decrease 722.

### Davis Addresses Accountants

Roy L. Davis, assistant insurance director of Illinois, addressed the recently formed Insurance Accountants Association of Chicago at its luncheon. He outlined work of the department in Chi-

cago and Springfield, and reviewed the agents and brokers qualification act.

He was introduced by G. H. Ahrold, United States Fidelity & Guaranty, president. The association was formed early this spring by casualty and surety accountants and auditors of Chicago companies and branch offices.

### To Select Beha's Successor

NEW YORK, May 19.—At a joint meeting of members of the casualty and the surety acquisition cost conferences May 21, action will be taken looking to the selection of a successor to James A. Beha as chairman of the two bodies. Mr. Beha resigned several weeks ago to engage in private law practice.

### Golfer's Combination Problem

Some consideration is being given by the companies to the question whether the insurance package that most of the companies have made up for golfers meets the terms of the ruling of the Illinois insurance department some time ago restricting the sale of multiple coverages in a single contract. This golfer's combination includes accidental death and dismemberment benefits, public liability and property damage and marine coverage on golfer's equipment. Most of the companies issue a combination of contracts. In order to comply with the

Illinois requirements, some companies have issued one contract for public liability and another for property damage. It is also found necessary under the laws of most states to get a signed application for the personal accident portion of the combination.

### Bill for Low Par Shares

LANSING, MICH., May 19.—A bill to provide for issuance of stock by Michigan casualty companies at a par value as low as \$1 and to permit reduction or increase in capitalization or reclassification of shares, with the permission of the commissioner and two-thirds of shareholders, has been introduced in the senate.

### Moulton on European Jaunt

LANSING, MICH., May 19.—Verne V. Moulton, president Auto-Owners of Lansing, and Mrs. Moulton are leaving for New York this week to sail aboard the Queen Mary for an extended European tour. They plan to return about Aug. 1.

### Mutual Agents in Meeting

The semi-annual Wisconsin agents meeting of the Wisconsin Mutual of Madison was held in that city, Secretary J. B. Lynch, who is in active charge of the mutual, presiding. This company

## LEGISLATIVE • DIGEST •

**Massachusetts**—Payment of compensation benefits would start from the date of injury under the terms of a measure ordered to a third reading by the Massachusetts senate.

**Wisconsin**—The assembly has killed the Ryan bill extending the compensation to all employers. It had previously passed the bill.

**Michigan**—The occupational diseases measure favored by the house labor committee, virtually a substitute for a bill already passed by the senate, was sent back to the committee after it was attacked on the floor on the grounds that it was not sufficiently liberal to the interests of labor.

**Massachusetts**—Both houses have passed a measure to include coverage of lettering and ornamentation under plate glass policies.

is operated by the Franklin Mutual of Chicago. President C. C. Dawes and and Treasurer Kurt Hitke addressed the agents.

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## Making Casualty Rates Discussed

(CONTINUED FROM PAGE 23)

tion with the industry group rate levels may have a definitely harmful effect under the present method.

"There are a number of apparent advantages to recommend the weighted average method for serious consideration as a substitute for the present method," the speaker continued. "The procedure is materially less complicated than the present. By using a common weighted period for all elements of the rate levels and by assuming that the five year experience of each industry group is entitled to 100 percent credibility, it avoids a separate calculation of rate levels for indemnity, medical and industrial groups and the use of industry group credibility.

### Not Far Behind Present Method

"The weighted method will produce a rate level which in point of time is not far behind the present method. The continued use of the contingency factor in the rate level determinant minimizes whatever disadvantages may accrue from this source. In the case of an industry group with a rapidly growing exposure the resulting rate level is advanced in point of time by the operation of the weights and conversely the rate level is retarded in point of time in the event that exposure is diminishing. In the case of a single classification entitled to 100 percent class credibility on all three parts of the pure premium, the rate level for the classification is determined solely by its own experience.

"The weighted method avoids the situation where rates for one industry group are improperly affected by changes in the distribution of business or by the unusual experience indications of other groups."

### Vernon Barber Offers

Mr. Barber offered the following as one version of the weighted average rate level method:

1. To convert the state experience to the proposed rate level, apply the following weights to classification payrolls and classification losses on the present law level:

Latest year .....	1.00
Second year .....	1.00
Third year .....	.75
Fourth year .....	.50
Fifth year .....	.25

2. Calculate reversion factors by industry group, indemnity and medical separately, using the excluded amount of weighted losses according to present classification credibility standards.

3. Determine formula pure premiums for each class as at present, assuming the weighted five-year pure premium to be on the proposed rate level.

4. If pure premiums other than formula indications are adopted for any classification, apply the adopted pure premiums to the payroll distribution of the two latest years and determine correction factors by industry group to apply to adopted pure premiums in order to correct the latter to the equivalent of formula pure premiums.

5. In states with limited exposure combine all industry groups which produce less than \$1,000,000 premium over the five-year period.

### Canadian Auto Experience

Discussing the experience under the Canadian uniform automobile insurance act which applies to all provinces except Quebec, John Edwards, casualty actuary Ontario department, said that in spite of the uniformity of the contracts there is a wide variation in premium rates between various classes of companies. He said he thought the reason for this variation is that there are so many companies and the market is so highly competitive that as long as companies are free to quote such rates as they please little else can be expected.

Results for 1936 in the province did not appear to be profitable and only

time will tell how the experience will work out for 1937, said Mr. Edwards. He said, however, if the trend means anything one cannot expect the experience to show much better results for 1937 unless something is done to reduce the accident frequency and the high average amount of public liability claims. For 1936, losses incurred as compared with premiums earned amounted to 62½ percent for all automobile insurance written in Ontario.

### Have to File Experience

Mr. Edwards pointed out that while the superintendent of insurance is not required to approve insurance premium rates, the companies transacting automobile insurance business in Ontario are required to file punch cards covering their automobile experience in the province with the designated statistical agency every month. Such results are tabulated and filed with the superintendent periodically and if the situation should ever change so that the superintendent has power over the rates he would be in a position to determine from the experience filed the reasonableness of automobile insurance premium rates promulgated in the province.

Informal discussion in the afternoon centered on premiums and loss reserves for casualty and surety lines, in what respect present methods could be improved and whether a reserve should be provided against recurrence of an unfavorable loss ratio in bonding lines; also latest developments in connection with occupational disease coverage under workmen's compensation laws, including the trend as to definition of impairments, the problem of accrued liability, underwriting criteria, and preventive aspects of occupational disease.

### Effect of Federal Jurisdiction

The effect of federal jurisdiction on the operation of workmen's compensation acts was discussed by C. W. Hobbs, special representative of the National Association of Insurance Commissioners to the National Council on Compensation Insurance. Mr. Hobbs' paper covered the effect of federal jurisdiction over federal employees, federal jurisdiction over United States properties, federal jurisdiction over interstate commerce and federal maritime jurisdiction.

Employees of public corporations of the United States engaged in governmental work are not subject to state laws but if the work such corporations are engaged in is private in character, employees have been held subject to state compensation acts.

## Actuary of Future to Be Economist

(CONTINUED FROM PAGE 23)

eventually defeat its own ends if carried too far for the reason that it meets with resentment on the part of industry and ultimately on the part of the general public.

"Unfortunately the full force of the resentment is not always visited upon the heads of the legislators who are responsible for higher costs. Frequently the brunt of the criticism illogically falls upon the insurance carriers who have assumed the obligations of the policyholders. As a rule the insurance carrier hesitates to take any part in the movement for greater benefits, and a passive attitude is misconstrued by industry as a lack of sympathy with its burdens. When actively opposing greater benefits the companies are subject to criticism of labor. The position becomes still more difficult if as a result of the enlargement of statutory benefits the companies are forced to increase insurance costs."

Mr. Senior remarked that there are two schools of thought concerning changes in our economic life. One be-

lieves that we shall eventually reach a point of stability as a result of certain social and political measures designed to banish poverty and provide permanent security for all workers in trades, industry and agriculture. Those who hold these views visualize a world safe and free from economic disturbances, he said.

### Conservatives Expect Changes

The more conservative school, according to Mr. Senior, holds to the opinion that recessions and recoveries are just normal phenomena of an active industrial and commercial life, and that absence of change would spell stagnation. In their minds the perfect stability would be a contradiction in a world that lives and moves in an endless mechanism of evolution, the speaker said, but noted that regardless of one's views, foresight demands certain measures in order to adjust oneself in a world where the economic balance is in a state of chronic maladjustment.

In the case of workmen's compensation there is a marked tendency to disrupt the balance between premium income and losses in the compensation statutes of the several states which provide for maximum and minimum limits, Mr. Senior said.

"When industry is at high tide the maximum provision favors the insurer and the minimum has no appreciable effect," he continued. "But with the decline of business activity and the consequent reduction in wages, the loss ratios in the aggregate are materially affected for the reason that compensation benefits get much closer to the actual wages and in certain instances become equal to wages in the lower strata of wage earners. In fact, illustrations may be cited under the New York law where the compensation benefits for disability plus wages earned by the disabled man may exceed the wages earned by the worker prior to the injury.

"As wages fall and approach the statutory benefit limits, a spirit for malingering comes to life, a fact against which the industrial accident commissions and boards are utterly helpless. The decline in payroll, the slowing up or abandonment of accident-prevention work, and the increase in unemployment are factors which are responsible for material increase in the moral hazard of the casualty risk."

### Reviews Auto Field

Turning to automobile insurance, Mr. Senior said that the big problem is to bring in the large block of uninsured owners without the exercise of compulsion.

"This condition presents a large opportunity for the study of rating methods in automobile insurance," he said. "A formula limited to physical conditions relative to territory, make, model and usage of the car is not in the opinion of competent underwriters the final answer. Future methods will in all probability take into account other considerations, such as the moral hazard, and give due weight to the character, sex, age and other qualities of the driver largely responsible for the accident frequency rate. Furthermore, a merit rating plan for pleasure cars is not beyond the bounds of possibility."

Mr. Senior declared that an equitable rating plan that will recognize justifiable distinctions in the moral hazard of the risk may prove of great service in counteracting the agitation for compulsory insurance, a prospect looked upon with disfavor by companies and motorists alike. He said that while time and space made it necessary for him to limit his illustrations to workmen's compensation and automobile insurance, the points raised are applicable in a greater or lesser degree to fidelity, surety and other casualty lines.

### Plans Chicago Exhibit

The Aetna Casualty & Surety will have its safe driving exhibit and appliances at the Fair department store in Chicago, June 24-July 3. The outfit will probably be sent to other stores later.

## Production Man



VERNON T. BARTLETT

Vernon T. Bartlett, who has been a member of the publicity department of the Royal group for three years and now has switched to the production staff of the Royal Indemnity and Eagle Indemnity, was formerly assistant editor of the "Local Agent" of St. Louis. He is a graduate of Washington University of that city. He is counted a forward looking and progressive young man.

## "Policy Analyser" Tells of New Burglary Policy

A new sales help, known as "policy analysers," has been announced by H. G. Evans, president of the American Casualty. The first of these covers its new simplified residence burglary policy. The policy is a blanket \$500 contract designed primarily for the average man who does not realize or have the necessity for the standard residence burglary policy. The premium is approximately one-half that of the usual \$1,000 residence policy. It is not intended that the policy compete with the standard residence form, but rather that it be sold to the large number of persons who are not interested in a \$1,000 policy.

The American Casualty has developed "policy analysers" to overcome what it considers the most important factor limiting an agent's sales—the difficulty of having complete information on all policies in accessible form.

### Owl Association Elects

BOSTON, May 19.—The Owl Association, home office club of the Employers Liability group, at its annual banquet heard talks by R. L. Greene, assistant resident manager, New York; Andrew Kaufman, president New York Owl Association; F. P. Horton, deputy manager and treasurer of the United States branch, and A. B. Poor, deputy manager. New officers were elected for the Boston Owl Association: President, E. T. Kenney; vice-president, J. N. Green; secretary, Margaret M. Walsh; treasurer, C. R. Spinney, Jr.; assistant secretary, Doris M. Johnson; assistant treasurer, Rudolph Currier.

### Texas Employers Is Taxable

Holding that the Texas Employers is an insurance company on an equal footing with and taxable the same as all other insurance companies, District Judge Moore of Austin has given judgment for the state for \$15,346 against that company. Texas Employers contended that it is really a public agency and is not subject to taxation.

The Allied Mutual Automobile is holding a series of 15 district meetings in Iowa and South Dakota.

# POINTERS FOR LOCAL AGENTS

## Shows Growth of Boating

Many insurance people do not realize the tremendous growth of boating as a national sport during the past 10 years. According to a report by Ira Hand, secretary National Association of Engine & Boat Manufacturers, at the Chicago meeting of the marine section of the National Fire Protection Association, there are more than 1,500,000 pleasure craft of this type, ranging from a small motor boat to the most palatial yacht. His report outlined in detail steps taken by his association during the past few years to see that boat makers provided proper space for engines, galleys and other sections where fires could originate easily. Because of their efforts, yachts have become much improved risks from the underwriter's viewpoint.

### Not a Rich Man's Sport

Boating is not necessarily confined to the rich man. Like the popularity of cameras, thousands of small boats are owned by business and professional people in fairly modest circumstances. Due to bonuses and wage increases during the past few months, many people have found themselves in a position to buy. A nice small boat may be bought for only a few hundred dollars, but the owner is nevertheless exposed to all the hazards of marine operation, including federal laws dealing with his liability to workmen repairing the boat as well as to his crew if he has any. In addition to the usual marine perils during the months he operates the craft, or lasting the year around if he has his boat in southern waters, the boat is exposed to fire during winter storage months.

In the past few years many new waterways have been created, which has encouraged the sport. Harbors and channels have been improved, new intra-coastal canals constructed and "marinas"

or harbors for small boats are being developed. Many towns along lake front or seashore are building these with municipal and federal moneys, since the yacht people docking there spend sizable sums during their stay for various commodities.

### Waterways Throughout the U. S.

Mr. Hand said the various inland and intra-coastal waterways permit the small boat owner to cruise almost the entire way from New York to Florida without being exposed to perils of open sea. Additionally, canals and waterways in Illinois and New York provide access from the seaboard to the Great Lakes and the Mississippi, and there are intra-coastal waterways providing inside passage from Texas to Florida, thus enabling yacht enthusiasts to cover much of the United States by water. Yachting is making rapid strides on the Pacific Coast, "marinas" being constructed at various California, Oregon, Washington, British Columbia and Alaska resorts and river points. Even in the Rocky Mountain area there is yachting. A \$110,000 "marina" has been constructed at Great Salt Lake with federal and Utah money. Between 100 and 200 boats will use the harbor at nominal fees.

These facts do not indicate that all Americans are going to be vacationing and traveling by water, but development of the sport has not stopped yet, nor is it likely it will. The insurance agent can make money for himself by watching closely the growth of this recreation in his territory and keeping in touch with people interested in it. The agent must almost anticipate the purchase of a boat, since yacht dealers also try to handle the insurance themselves whenever they can.

## Warns Against Giving Oral Binders Loosely

The Fidelity & Guaranty Fire features the warning of W. V. A. Keeler, its New Jersey state agent, against loosely giving oral binders. Legally, Mr. Keeler points out, the agent is personally liable, the oral binder constituting a complete contract, and the agent's failure to specify any company or companies absolves any of them from a just claim. If an oral binder is necessary, it is essential that it be confirmed in writing immediately. When done by the local agent, each company affected should be named and the amount assigned to each itemized.

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### Excellent Textbook Out

An excellent discussion of the insurance business prepared by A. J. Durrette, of John C. Paige & Co., Boston, has been placed by Ginn & Co., publishers, in a new high school text book entitled "Business, Its Organization and Operation". The book is designed to give seniors in high school some knowledge and understanding of business and particularly some of the special business fields. Mr. Durrette has very effectively organized the material about insurance and presents it in a way that gives satisfaction to the reader who wants to know something about the business and learn it from a few pages. Insurance men, who are frequently asked to cite material of this kind both for teachers and pupils, should make a note of Ginn text book.

## Residential Building Boom Biggest Since 1930

Many local agents are taking advantage of residential building activities in a number of points. F. W. Dodge Corporation of New York City states that not since May, 1930, have residential buildings been undertaken in such heavy volume as was reported in April. In the 37 states east of the Rockies the amount involved was \$108,204,400, a gain of 61 percent over April a year ago.

For the initial four months the total volume of residential building started in the 37 eastern states amounted to \$339,782,400, an increase of 78 percent over the figure of \$190,986,600 for the corresponding four months of 1936. Total construction started in the 37 states in April (inclusive of both residential and all other types) was \$270,125,200, a gain of about 17 percent over March and about 16 percent better than for April, 1936.

Total construction started in the 37 eastern states since Jan. 1 has amounted to \$932,455,400, an increase of 18 percent over \$788,605,400 reported for the first four months of 1936.

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### Bidding for School Lines

May is usually the month for school elections and the school boards make out their budgets in May and June. Then school district secretaries and treasurers are elected who require bonds. More and more school buses are being used and liability insurance is required. A number of schools are buying burglary

coverage. The New York School Boards' Association has issued a bulletin on burglary coverage for the guidance of school boards. It is as follows:

"Four types of burglary insurance are available to give schools full protection, although, of course, all four may not be necessary when considering any one particular risk. On first thought the idea of breaking into a school seems as ridiculous as the idea of breaking into a jail, but the loss records of the insurance companies very surprisingly indicate that schools have a high susceptibility to burglary claims. In central New York, particularly, during the past two years there have been a series of school burglaries where sums of \$100 to \$600 have been taken. Not only is money stolen, but safes are damaged, and important records are mutilated or destroyed and have to be replaced."

\*\*\*

## Building & Loan Forgery Bonds Are Salable

Since there are over 12,000 building and loan associations, credit unions, cooperative banks, etc., in the United States, agents can get extra commissions selling building and loan forgery bonds. The new bureau forms were promulgated in January.

It is a broad coverage, indemnifying the obligee against losses through forgery or alteration of any instrument or document on which the institution extends credit or value. The bond covers all kinds of paper that a building and loan institution would handle in its usual business. This includes withdrawal orders, share certificates, mortgages, notes, drafts and checks.

The bond excludes losses caused by employees or officers. It covers in blanket form main offices and all branches and is written annually for an indefinite term.

\*\*\*

### Accident Prospects in Auto Sales

The Chicago office of the Aetna Casualty tried an experiment. Whenever a new automobile policy was issued, a copy of the application was sent to the accident department. The applications were carefully reviewed and checked and a number were found to be excellent prospects for accident insurance. It was suggested that the agent who wrote the automobile policy solicit his policyholders for accident and in many cases a special presentation was prepared. Considerable good business was written as a result.

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### Filing Valuable Material

Many agencies find it highly valuable to keep a file of sales material, information of all sorts that may be called upon, plans that have worked successfully, data of live interest. These can be indexed. It is impossible to remember all these things. They can be digested to some extent if the material is too long. However, a live file of data of this kind is very useful.

## Talking One's Own Case and Not of Another

When one finds an insurance salesman reflecting on a competitor and pointing out his weaknesses it can be put down as a fact that he is weakening his cause. Permanent volume depends on sincerity, fairness and good sportsmanship. It is always wise to give the talking point of one's company or agency rather than to expose the weaknesses of others.

## ANSWERS

By J. C. O'Connor, Editor  
National Underwriter's F. C. & S. Bulletins

**Question**—Did the California Highway Indemnity Exchange, which is in receivership, issue non-assessable contracts.

**Answer**—Automobile reciprocals in California have always maintained that their assessment liability was limited and that they were practically non-assessable. However, the true status of the situation—and this includes the defunct California Highway Indemnity Exchange—is that these reciprocals had a clause in their policy, the gist of which was that liability under the policy was limited to a sum equal to the amount of one annual deposit. However, the California supreme court has ruled that the policies are assessable to meet all liability and at present computations are being made against subscribers to the California Highway Indemnity Exchange to determine their liability for the total sum involved.

\*\*\*

**Question**—I was interested in your issue of May 6, in which you summarized an insurance bulletin from the National Electrical Manufacturers Association. I count this highly valuable and it should be read by all insurance men. Where could I get a complete copy of this bulletin?

**Answer**—The headquarters of the National Electrical Manufacturers Association are at 155 East Forty-Fourth street, New York City. The bulletin or pamphlet from which the article was taken is available at that address. We count the bulletin as very valuable.

\*\*\*

**Question**—Can you tell me anything about the American Negative Film Syndicate?

**Answer**—This syndicate is a pooling arrangement formed very largely by company members of the Inland Marine Underwriters Association and is under the same management, viz., Albert Willcox & Co., 99 John street, New York City. Formed several years ago, the syndicate covers, under marine form, firms of virtually all motion picture producers of the country—save one important institution. The liability is assumed whether the films be in studios or in the course of transportation. Some of the individual lines run up to \$1,500,000. Member companies participate on each risk on a percentage basis being notified of their commitments through monthly bordereaux sheets. The syndicate meets competition from London Lloyds particularly on the west coast.

\*\*\*

**Question**—Can you give me any information in regard to any company which will write the first \$50 on a \$50 deductible collision policy on a auto. One of my competitors is writing this and as a result when the auto finance policy expires he is in on the ground floor of the risk and secures the business.

**Answer**—This policy is only written where a car is financed. For instance, the finance company insists that the \$50 deductible collision policy be carried. Then the assured wants a full collision policy and therefore he takes out a policy covering the \$50 in case of accident. It is really a reverse of the regular deductible form. Almost all the non-conference Illinois companies write this policy, especially in country districts.



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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Palmer and Moser to Speak

**Banquet with Notables as Guests to Wind Up Illinois Agents Association Meeting**

Insurance Director Palmer of Illinois, president National Association of Insurance Commissioners, and H. S. Moser, chairman insurance law section, Illinois State Bar Association, which drafted the present code proposal, will be the principal speaker at the banquet in the Leland Hotel, Springfield, May 21, winding up the mid-year meeting of the Illinois Association of Insurance Agents. The affair is scheduled to start at 6:30 p. m.

W. Herbert Stewart, president Illinois association, will preside and Rockwood Hosmer of Chicago is to be toastmaster. Other distinguished guests and members of both houses of the legislature have been invited. Mr. Stewart will wind up the banquet program with his "swan song."

#### Interesting Program

The Illinois meeting program presented in last week's issue has many interesting features, the morning session being scheduled to start at 10 a. m. and the afternoon session at 2 p. m., when there will follow a business forum and general discussion with set subjects and discussion leaders.

Registrations will be in charge of Mrs. Lillian L. Herring, secretary Illinois Insurance Federation and assistant to the secretary of the Illinois agents. She will be assisted by Miss Elizabeth C. Crowder, secretary to A. S. Keys of Springfield, past president of the Illinois association; Miss Beulah E. Lindsay, secretary to Past President R. W. Troxell of Springfield, and Mrs. Peggy Campbell, Mr. Hosmer's daughter. All are well known at the Illinois agents meetings, having taken part in the registrations previously.

### McClain in Indianapolis Post

**Former Commissioner Now Manager of Insurance Department of Union Trust Company**

INDIANAPOLIS, May 19.—Harry E. McClain, former Indiana commissioner, has been appointed manager of the insurance department of the Union Trust Company of Indianapolis, effective Monday of this week. L. D. Swisher, rate clerk of the Indiana department, is resigning June 1 to become assistant manager.

#### Home Ties Strong

Before becoming commissioner, Mr. McClain had been manager of the insurance department of the Farmers National Bank at Shelbyville, Ind., in which town he continues to make his home, as it is within easy distance of Indianapolis. While it is understood that he had other offers which would have taken him out of the state, he says his desire to continue his home in Indiana largely influenced his decision to make the connection with the Union Trust Company.

Mr. Swisher, who was appointed rate clerk soon after Mr. McClain took office, had been with the Indiana Inspection Bureau for several years. Before going to Indiana, he had been with the Missouri and Kansas bureaus and in the interval between these two connections he was special agent of the Travelers Fire. He has had 17 years' insurance experience.

### Insurance Women See Revue

**Detroit League Members Pass Up Underwriting Chatter and Study the Latest Styles**

By GEORGE BROWN

DETROIT, May 19.—All work and no play can dull the wits of Bettie just as much as they do those of Jack, so the entertainment committee of the Detroit Insurance Women's League broke away from insurance discussion at the monthly meeting last week with a "revue" of clothing fashion's dictates. The subject proved to be not only an alluring call but brought a record attendance. What female of the species could resist a talk by Josephine D. Sutton, merchandise manager of the fashionable Himelhook Bros. & Co. apparel palace? And the topic, mind you, wasn't so commonplace as gowns, hose, lingerie, blouses, skirts and so on but "The Romantic Aspect of Fashions," if you please.

#### Interest in Women's Attire

Of course, you men are all interested in women's attire. The efficiency experts, psychologists, and other specialists are telling us we must tone up, cheer up, pep up the office by encouraging the Janes and Marys and Mabels to don their pretties and turn the smocks over to the Salvation Army or a Goodwill depot. So you'd better get wise to some of the "romantic aspects."

First, there's the visual value of a streamlined dress; second, to bear in mind that it wasn't any dub that designed the clothing but the famous designers of la belle France; to learn how the gowns and so forth were inspired and, lastly, to get wise to the fascinating sources of inspiration.

Josephine knows her stuff, believe me and did she keep the insurance girls enthralled from start to finish? I'll say she did. So that's that. The entertainment committee has learned that an hour of fashion talk is a welcome relief from the insurance routine. I'm wondering if a talk on a streamlined electric cooking on a streamlined electric range and the application of streamlined diapers—some day, maybe—will be equally attractive.

### Business Development in Farm Work Illinois Topic

With most of the Illinois Business Development meetings already held, one of the next steps will be to interest farm agents in the program. A. H. Knight, state agent Home fleet, has been named head of the farm committee and farm departments will be asked to cooperate.

It is felt necessary to lay the ground work during the summer with more active participation planned next fall. Several of the other state organizations will probably follow what is worked out in Illinois.

### Hold Big Kansas Business Development Meet in Zone 1

The largest Business Development meeting in Kansas was held for Zone 1 at Lake Quivira, near Kansas City, Kan. Don Ellis and Gilbert Henry, Kansas City, Kan. agents, were in charge of arrangements with Curtman Maupin, Home of New York. H. O. Tinkelpaugh, president Kansas Association of Insurance Agents, presided at the all-day session.

Approximately 160 agents and field

men from Olathe, Ottawa, Paola, Lawrence, Leavenworth, Atchison, Garnett, Osawatimie, Bonner Springs and Kansas City, Kan., attended.

Glen Charlton of Lawrence gave the "Outline of Capital Stock Fire Insurance and Local Agency Service"; George Hampton, Topeka, "Research and Engineering"; F. S. Dauwalter, director Business Development Office, "Non-Stock Fire Insurance Organizations"; John Kelly, Leavenworth, "Vulnerable Position of Non-Stock Carriers"; C. B. Holmes, Lawrence, "Mutual Life and Mutual Fire Insurance"; E. H. Fikes, state agent Home farm department, "Meeting Non-Stock Competition"; S. H. Reynolds, Kansas City, Kan., "Consumer cooperatives and Reciprocity in Business," and O. A. Ramsey, state agent of the North America, "Non-Stock Propaganda."

### Raze Condemned Buildings

MILWAUKEE, May 19.—Razing of buildings condemned as fire or health hazards shows a gain. There have been 269 buildings razed during the first four months compared to 208 last year. Commercial buildings numbered 226 and dwellings 43.

### Sioux City Women Elect

At the annual meeting of the Sioux City (Ia.) Insurance Women's Association, Lenore Hassenger was reelected president; Doris Mundt, first vice-president; Angus Lacey, second vice-president, and Mabel Eleas, reelected secretary-treasurer.

### Insurance Club Hears McNally

F. T. McNally, Minneapolis general agent Massachusetts Mutual Life, spoke at the last spring meeting of the Insurance Club of Minneapolis on "Illegitimate of History." He has spent much time delving into history and giving public addresses on historical subjects. The luncheon was sponsored by Marsh & McLennan.

### Debate Adjusters' License Bill

The Illinois senate insurance committee this week is again giving consideration to the bill to license public adjusters. At the meeting of the insurance committee last week, a subcommittee was appointed to confer with Insurance Director Palmer and several Chicago adjusters to get their opinion on this legislation and report back to the full committee this week.

Under the bill public adjusters would pay a license fee of \$100, associate adjusters \$25 and public adjusters' solicitors \$15. All licensees would be bonded with a penalty of \$5000 and placed under the supervision of the insurance department. Licensees could not solicit losses on holidays, Sundays or between 8 p. m. and 7 a. m. on workdays.

### Arrange Ohio Meetings

The Business Development committee of the Ohio Fire Underwriters Association has arranged for meetings in Toledo May 25, Youngstown, May 27 and Piqua, May 28. The Toledo meeting will include Lucas, Wood, Ottawa and Sandusky counties. Wallace Rodgers, assistant secretary Western Underwriters Association, will speak in Toledo.

### Mortensen Kenosha Speaker

KENOSHA, WIS., May 19.—About 50 members and guests of the Kenosha Association of Insurance Agents attended the May meeting at which Commissioner Mortensen discussed insurance problems and the operation of various divisions in the administration of laws and regulations. H. C. Hansen, president of the association, presided.

Mr. Mortensen said it is the agent's duty to the assured, the company and

the general public to give the client fullest information regarding protection afforded by the policies issued, to avoid difficulties and disappointments when a loss occurs. He praised the Kenosha agents for their participation in safety and fire prevention programs. He mentioned numerous factors that are considered in establishing insurance rates, all of which look to reducing the loss ratio to make cheaper insurance possible.

### Illinois Bill Hits Clearance

I. A. Palmer, local agent at West Frankfort, Ill., who is in the lower house of the Illinois legislature, has introduced a bill to prohibit fire and casualty companies from maintaining a clear agency program.

### Nebraska Arson Convictions

LINCOLN, NEB., May 19.—Two more confessions have been secured by Deputy State Fire Marshal Weygint, formerly a state detective, who has been heading a drive to stop incendiarism. A. L. Knopasek, Verdigre farmer, and his hired man, James Caulfield, each drew a year in prison after pleading guilty to attempting to defraud an insurance company. Knopasek said he was hard up, and Caulfield said he had helped set the fire because he had been reared by the farmer and felt it his duty to aid him when asked. Knopasek had insured for \$1,500 his own and his mother's property, worth a third of the policy face.

### Plan for Rural Protection

MANITOWOC, WIS., May 19.—A program of fire protection for rural areas of Manitowoc county, through zoning of territory among the 22 volunteer fire departments, has been proposed to the county supervisors by Fire Chiefs Kupic of Manitowoc and Rahn of Two Rivers, spokesmen for the county departments.

The plan would furnish county-wide protection at an estimated cost of \$6,000 annually. Each volunteer department would be allowed \$200 a year for maintenance and be paid a certain sum per hour of work at farm fires. Local departments now furnish protection to only those farmers who contribute yearly towards maintenance of a particular department, but many farmers are still without service.

### Garmire Makes Appointments

The John D. Garmire's independent adjusting office, Omaha, has appointed Joseph F. Gillham resident adjuster and manager of the Norfolk, Neb., branch, succeeding Milo R. Hanson. Mr. Gillham has been in insurance for a number of years, having been a field man for the American of Newark, for 12 years. The Garmire's adjusting office also has appointed W. C. Bullard as resident adjuster and manager of the McCook, Neb., branch, succeeding John G. Morris. Mr. Bullard owned and operated a large lumber yard at McCook and other points in Nebraska for many years and is a competent insurance man.

### Indiana Events in June

The annual field day of the Valparaiso (Ind.) Board of Underwriters is scheduled for June 10. Field men and other local agents are invited.

June 15 a Business Development meeting will be held at Fort Wayne.

### After "One Line" Agents

ST. PAUL, May 19.—Agents who are in the business mainly to write their own or company business are coming under the scrutiny of the Minnesota department. Developments in recent weeks have given the impression that Com-



missioner Yetka proposes to "crack down" on some agents in this class.

The department has called on the carpet one agent whose main business is understood to have been the writing of insurance on properties owned by his company in several counties. Another agency has been asked to inform the department just what business one of its agents writes outside of one large concern with extensive realty holdings.

#### Requires Contingency Fund

LINCOLN, NEB., May 19.—Insurance Director Smrha has issued his promised order requiring domestic assessment fire companies that collect assessments more than one year in advance to set up on their books and maintain a contingency fund equal in amount to the advance payments. The principal change in the original draft of the order is to require the company, if it cancels, to return the full unearned premium, whereas if the insured cancels he is to get back what he paid less the short rate premium charged.

#### Checking Lists More Closely

ST. PAUL, May 19.—In the renewal of agents' licenses in Minnesota, now in progress, where a list of supposed company representatives in Minnesota was sent to the company with a bill of \$2 per man, in several cases a company has sent back word that certain names should be stricken, and that these agents have not represented it for years. Yet the company has continued each year to pay the annual license fee of such agents until some one at the home office checked up the list of active agents.

#### "Independents" to Meet June 2

LANSING, MICH., May 19.—Although there are reported to have been some defections in the ranks of agents promoting a new "independent" agents' association for the state, plans are going forward for completion of the organization. A constitution and by-laws were tentatively approved by the organization committee at a meeting here.

The first general meeting will be held here June 2. About 50 invitations to that session will be sent out. Several mutual carriers have evinced interest in the movement. Agents planning to become members disapprove of the alleged emphasis on stock insurance in the Michigan Association of Insurance Agents.

#### Sons Join Milwaukee Agencies

MILWAUKEE, May 19.—W. C. Bradt, who established his own agency in the Caswell block last August after resigning as president and general manager of the Julius Bacher Agency, has taken his son, W. W. Bradt, into the agency, which becomes W. C. Bradt & Son. The son has been special agent of the Federal Union.

R. J. Pittelkow, sole owner of the Chas. Pittelkow & Son agency since the death of his father, has taken his son, R. C. Pittelkow, into the business, bringing the third generation of the family into agency work.

#### Map Columbus, Wis., Program

The Wisconsin Fire Prevention Association will inspect Columbus, May 27. A public meeting will be held at a dinner in conjunction with the regular monthly meeting of the Columbia County Local Agents Association, at which Roy L. Nicholson of Milwaukee will make the principal address.

#### Names New Ohio Fire Marshal

D. L. Rockwell of Ravenna, a former judge, has been appointed state fire marshal in Ohio. He succeeds Frank Henry of Marietta, who has held the position five years. Henry and Governor Davey are reported to have had a political falling out.

Rockwell is a former probate judge of Portage county. He conducted the primary campaign for McAdoo for

president in Ohio in the 1924 primaries and was one of McAdoo's floor leaders at the New York Democratic convention. He is a graduate of Kenyon College. Since retiring from the bench he has been a practicing attorney in Ravenna, which is Governor Davies' home city.

Fire insurance interests generally are pleased with the appointment. They expect much of Judge Rockwell.

#### Nebraska April Loss Figures

Losses of \$173,508 in 200 fires in April were reported to State Fire Marshal Davis of Nebraska. In April, 1936, the number of fires was 254 and losses \$147,639. For the first four months losses in 717 fires totaled \$811,119.

#### North Dakota Mutuals' Meeting

The annual meeting of the North Dakota Association of Mutual Insurance

Companies will be held at LaMour, May 26-27.

#### Waukesha Mutual's New Officers

New officers of the Mutual Fire of Waukesha, Wis., are: Charles Gittner, president; G. A. Votteler, vice-president; F. A. Federer, secretary-manager, and Walter Pokrandt, treasurer. J. T. Brehm, former secretary-manager, is no longer with the company.

#### Dueringer Opens Own Agency

W. M. Dueringer has resigned as vice-president of E. A. Piepenbrink & Co., Milwaukee, and has established the W. M. Dueringer Co. at 757 North Broadway.

Harry Hall, Gary, Ind., agent, will attend the International Rotary convention to be held next month at Nice, France. He will spend some time touring Europe.

## IN THE SOUTHERN STATES

### Program for Texas Meeting

Many Interesting Features for the Big Convention to Be Held in San Antonio

The Texas Association of Insurance Agents has announced its program for the annual meeting to be held at the Gunter hotel, San Antonio, May 27-28. On May 26, there will be a meeting of the directors in the morning. In the afternoon, F. F. Ludolph, secretary San Antonio Insurance Exchange, will have a conference at local exchange offices. He is chairman of the exchange committee of the state association. In the evening the San Antonio Insurance Exchange will give a dinner in honor of the officers and director of the state association, the local exchange officers and insurance commissioners.

The program is as follows:

#### Thursday, May 27 (Morning)

Call to order, L. W. Gosling, San Antonio, general convention chairman.  
Invocation, Rev. William Capers, bishop of the Episcopal diocese of West Texas.

Address of welcome, W. L. Stiles, San Antonio.

Response, Josh Morriss, Texarkana.  
Address, Tom P. Ellis, president Texas Association of Insurance Agents, Dallas.  
Comprehensive Automobile Endorsement, M. L. Canfield, executive special agent Home.

Report legislative committee, Frank C. Gittinger, chairman.

Address, Marvin Hall, fire insurance commissioner.

Playlet, "Logic in Action."  
Luncheon, Plaza Hotel, for all registrants. Compliments San Antonio Insurance Exchange.

#### Afternoon

Executive session, agents only.

Reports:

For the administration, D. G. Foreman, executive secretary, Fort Worth.

Compensation committee, Cruger T. Smith, chairman, Dallas.

Local exchange committee, F. F. Ludolph, chairman, San Antonio.

Report of nominating committee.

Election of officers.

Get-together dinner, St. Anthony Hotel.

#### Friday Morning

Introduction of new officers.

Report rates and forms committee, A. D. Langham, chairman, Houston.

The Supplemental Contract, R. B. Cousins, Jr., Austin.

Address, John K. Boyce, Amarillo, member executive committee National Association of Insurance Agents.

Committee reports: Resolutions, auditing.

Address, F. S. Dauwalter, New York, director Business Development Office.

Complimentary luncheon to all registrants, San Antonio Insurance Exchange, Plaza Hotel.

The late J. E. McKinney, who died May 7, is succeeded as manager of the Okemah Insurance Agency, Okemah, Okla., by his son, J. L. McKinney.

### Announce Kentucky Program

Wilson, Hines, Underwood, Lawson, Warder, Rodgers, Clevlen Speakers at Louisville, June 16-18

LOUISVILLE, May 19.—P. B. Bethel, secretary Kentucky Association of Insurance Agents, reports that the program for the annual meeting here, June 16-18 is rapidly shaping up.

There will be an executive committee dinner and meeting the evening of June 16. The morning of June 17, committee reports will be heard, with welcome addresses by Commissioner Goodpaster of Kentucky, Wallace Smith, president Kentucky Fire Underwriters Association, M. W. Boedeker, president Louisville Board, and a representative of the casualty interests.

The first formal address will be by W. Owen Wilson, Richmond, Va., president National Association of Insurance Agents. J. H. Hines of Hines Brothers, Atlanta, southern managers Crum & Forster, will talk on "Cooperatives."

In the afternoon A. G. Chapman, Louisville, will be chairman of a round table session, featuring sales of various lines. T. C. Underwood, agency superintendent America Fore, Chicago will speak on allied fire lines and E. D. Law-

### Speaks in Alabama



PAYNE H. MIDYETTE, Tallahassee, Fla.

P. H. Midyette of Tallahassee, Fla., member of the executive committee of the National Association of Insurance Agents, represented that body at the annual meeting of the Alabama association at Montgomery. He is one of the well known figures in the south.

### Favorite Speaker at Many of the Agency Meetings



LYOYD T. WHEELER Atlanta

Manager L. T. Wheeler of the Southeastern Underwriters Association is being featured at some of the conventions of state associations of local agents. Mr. Wheeler is a pleasing speaker and, being the chief salaried man in his organization which has jurisdiction over the south, he desires to come in contact with local agents, tell them what the organized companies are trying to do and urging their cooperation.

son Fireman's Fund, Chicago, on inland marine. The casualty and surety speakers have not been announced.

Friday morning L. G. Warder, farm department Hartford Fire, Chicago, will speak on farm insurance and Wallace Rodgers, assistant manager Western Underwriters Association on Business Development. M. T. Clevlen, Poplar Bluff, Mo., president Missouri Association of Insurance Agents will also be heard on the Business Development program.

Major Hansen, member of the Kentucky safety committee will talk on road safety and G. R. Reed, Columbia, Ky., national councillor, will report on accident prevention. This will be followed by the election of officers.

There will be a dinner dance the evening of June 17 and a luncheon with the Louisville Board as host the same day.

### Virginia Agents' Convention

W. H. Bennett, E. M. Allen Will Be Principal Speakers at Convention June 25-26

The Virginia Association of Insurance Agents convention will be held June 25-26 at Old Point Comfort. W. H. Bennett, general counsel National association and E. M. Allen, executive vice-president National Surety will be principal speakers. Mr. Bennett will speak Friday afternoon, June 25, and Mr. Allen Saturday morning, June 26.

Entertainment will consist of a banquet and dance the night of June 25. The ladies committee has arranged for a bridge luncheon and also for a tour of Fortress Monroe. A committee has been appointed to accept from the North America an original daguerreotype of Jefferson Davis. The association will in turn present this to the Confederate Memorial Institute in Richmond.

Officers of the association have continued their campaign of regional meetings having completed 14 meetings since April 1. Membership has been increased 27½ percent. All of the regional meetings have been presided over by President Roger Clarke of Fredericksburg. Speakers have been selected from the following: Louis English, Richmond,

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Refer to any insurance office in San Francisco. Aetna, Continental Caledonian, Home, Home Indemnity. Others on request.

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### NOEL-HICKAM-BOYD & ARMSTRONG

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Masonic Building  
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600-603 Union National Bank Building  
Youngstown, Ohio  
Equipped for investigations, adjusting, trial of all insurance cases in State and Federal Courts.

### WAITE, SCHINDEL & BAYLESS

1318-27 Union Central Life Building  
Cincinnati, Ohio  
Insurance Litigation, specializing in Life, Casualty and Fire—Trials in Federal and State Courts—Reference on request.

## OREGON

### HARRIS & BRYSON

201-6 Miner Building  
Eugene, Oregon  
Zurich General Accident and Liability Insurance Company, Ltd.; Manufacturers and Wholesalers Indemnity Exchange. (Other companies on request.)  
Equipped for investigation, adjustments, settlement of all insurance cases, and trial in State and Federal Courts.

### BARTLETT COLE

1124 Board of Trade Bldg.  
Portland, Oregon  
Careful attention to all insurance matters.  
Trial of all insurance cases in State and Federal Courts.

### DEY, HAMPSON & NELSON

800 Pacific Building  
Portland, Oregon  
Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

### RAFFETY & PICKETT

410 Mead Building  
Portland, Oregon  
Globe Indemnity Co., Fireman's Fund Insurance Co. (Marine Department), other names upon request.  
Equipped to make investigations and adjustments, also trial of insurance cases in all State and Federal Courts.

## OREGON (Cont.)

### SHEPPARD & PHILLIPS

1206 Public Service Bldg.  
Portland, Oregon  
U. S. F. & G., Lloyds of London, others on request. Investigations and Adjustments.

## SOUTH CAROLINA

### ROBERT McC. FIGG, JR.

43 Broad Street  
Charleston - South Carolina  
The Travelers Insurance Company, American Surety Company of New York, Hartford Accident & Indemnity Company, New York Casualty Company.  
Trial of all insurance cases in State and Federal Courts. Equipped for investigations and adjustments.

### THOMAS-LUMPKIN & CAIN

1000-7 Central Union Building  
Columbia, South Carolina  
Specializing in Fire, Casualty, Surety and Life.  
Trial of all cases.  
Equipped for investigations and adjustments all over South Carolina.

## SOUTH DAKOTA

### BAILEY, VOORHEES, WOODS & BOTTUM

Sioux Falls  
Charles O. Bailey (1866-1928)  
John H. Voorhees, Melvin T. Woods, Jr.  
Theodore M. Bailey, Roswell Bottum  
Howell L. Fuller, Ralph S. Rice

## TENNESSEE

### POORE, KRAMER & TESTERMAN

302 Fidelity Bankers Trust Building  
Knoxville, Tennessee  
Zurich Insurance Co., Chicago, Ill.; Preferred Accident Ins. Co., New York; Commercial Standard Ins. Co., Fort Worth, Texas; and other companies on request.  
Equipped for investigation, adjustments and trial of cases in all courts in Eastern Tennessee.

## TEXAS

### UNDERWOOD, JOHNSON DOOLEY & HUFF

809 Amarillo Building  
Amarillo, Texas  
Consolidated Underwriters, Commercial Standard Insurance Co., Maryland Casualty Co., Texas Employers Insurance Assn., others on request.  
Equipped for investigations, adjustments, trial of all insurance cases state and federal courts, Panhandle and West Texas.

### COLEMAN GAY

Norwood Building  
Austin, Texas  
Travelers—American Indemnity—Glens Falls—others on request.  
Practice before all State Departments.

### PIPKIN & PIPKIN

304 Gilbert Building  
Beaumont, Texas  
The Travelers Insurance Company.  
Equipped for investigations and adjustments Southeastern Texas.

### HUBBARD, DYER & SORRELL

City National Bank Building  
Corpus Christi, Texas  
References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.  
Specializing in Insurance Law  
Equipped for Investigation and Claims

## TEXAS (Cont.)

### LAW OFFICES COKE & COKE

First National Bank Building  
DALLAS, TEXAS  
Rousar J. Coke, Thomas G. Murnane  
Henry C. Coke, Jr., John N. Jackson  
Julian B. Mastin, Arthur E. Hamilton

### SANER, SANER & JACK

Twentieth Floor Republic Bank Bldg.  
Robt. E. Lee Saner, Jno. C. Saner  
Wm. H. Jack, Jr.  
Equipped for Investigations, Adjustments,  
Trial of all Insurance Cases, State and Federal Courts.  
DALLAS, TEXAS

### Cantey, Hanger & McMahon

15th Floor, Sinclair Building  
FORT WORTH, TEXAS  
Samuel B. Cantey, Samuel B. Cantey, Jr.  
(1882-1924), Alfred McKnight  
William A. Hanger, Willis A. Johnson  
Mark Mahon, B. K. Hanger  
W. D. Smith  
Investigations, Adjustments, Trial All Cases

### COLE, PATTERSON & COLE

Citizens State Bank Building  
Houston, Texas  
Robert L. Cole, Sr., J. W. McDaniel  
Bennett B. Patterson, Harold T. Thurow  
Robert L. Cole, Jr., R. E. Owens  
Seymour Lieberman  
Standard Accident Insurance Company of Detroit, Chicago, Lloyds.  
United States Casualty Co. of New York City, etc.  
Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

### LAW OFFICES OF EDWARD S. BOYLES

FIRST NATIONAL BANK BUILDING  
HOUSTON, TEXAS  
Edward S. Boyles, Willard L. Russell  
M. S. McCorquodale, V. Lee McMahon  
Bruce C. Billingsley, Hugh Q. Buck  
E. F. Gibbons

### CRENSHAW & DUPREE

First National Bank Building  
Lubbock, Texas  
Representing U. S. F. & G., F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others.  
Trial of all insurance cases in all courts. Equipped for investigations, adjustments, settlement of claims in plains Country.

### BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building  
San Antonio, Texas  
Continental Casualty Co., Chicago; Indemnity Ins. Co. of North America, Phila.; Mass. Bonding & Ins. Co., Boston; Provident Life and Acc. Ins. Co., Chattanooga; Sun Indemnity Co. of New York; Volunteer State Life Ins. Co., Chattanooga, and others.

### MOURSUND, BALL, MOURSUND & BERGSTROM

613 Frost National Bank Building  
San Antonio, Texas  
Loyalty Group and others gives on request.  
Trial of all insurance cases, State and Federal Courts this territory.

## UTAH

### THATCHER & YOUNG

First Security Bank Building  
Ogden, Utah  
Travelers, Great American Indemnity, Maryland Casualty and others on request.  
Equipped for investigations, adjustments, defense of insurance companies in Northern Utah.

### Stewart, Stewart & Carter

1105 Continental Bank Building  
Salt Lake City, Utah  
Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

(Continued next page)



## INSURANCE ATTORNEYS

● The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

### VIRGINIA

#### W. SHEPHERD DREWRY

241-244 Law Building  
Norfolk, Virginia

Indemnity Insurance Co. of N. A., United States Fidelity and Guaranty, Bankers Indemnity Co., Fire Association of Phila., American Indemnity Co., All State Insurance Co.  
Equipped for investigations, adjustments and trial of all insurance matters in State and Federal Courts.

#### T. RUSSELL CATHER

34 Rouss Ave.  
Winchester, Virginia

New York Life, Maryland Casualty, American Surety Co.  
Equipped for investigations, trial of all cases, State and Federal Courts and Commissions.

### WASHINGTON

#### ALLEN, FROUDE & HILEN

Northern Life Tower  
Seattle, Washington

U. S. F. & G., Northwestern Mutual Life Ins. Co. Others on request.

#### DAVIS AND GROFF

(William Hatch Davis, former member Vermont Bar)  
(Guy B. Groff, former member Maryland Bar)  
1333 Dexter Horton Building  
Seattle, Washington

(1) John Hancock Life.  
(2) Fidelity & Guaranty Fire Corporation.  
(Others on request)  
Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

#### N. A. PEARSON

403-04 Fourth & Pike Bldg.  
Seattle, Wash.

Associated Indemnity Corp., and London Guarantee & Accident Co.  
Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

#### ROBERTS AND SKEEL

Insurance Building

John W. Roberts  
E. L. Skeel  
Wm. Paul Uhlmann  
Tom W. Holman  
Harry Henke, Jr.  
Frank Hunter  
W. E. Evenson  
Tyre H. Hollander  
Robert H. Grace  
Laurence Booth, Jr.

SEATTLE

#### SCHWELLENBACH & GATES

Alaska Building  
Seattle, Washington

American Automobile Insurance Company, St. Louis, Missouri; other companies given on request.  
Trial of all insurance cases, State and Federal Courts.

#### DANSON, LOWE & DANSON

Paulsen Bldg.  
Spokane, Washington

Maryland Casualty Co., U. S. F. & G. Co., and others on request.  
Investigations and trial of all insurance cases in State and Federal Courts.

#### PEDIGO, WATSON & GOSE

218 First National Bank Bldg.  
Walla Walla, Washington

American Automobile of St. Louis, Great Lakes Casualty Company of Detroit. Others on request.  
Equipped for investigations, adjustments, trial of all insurance cases, State and Federal Courts, South-eastern Washington.

#### BONSTED & NICHOSON

Miller Building  
Yakima, Washington

Loyalty Group, Pacific Indemnity, and others on request.  
Trial of all insurance cases in Federal and State Courts.

### WEST VIRGINIA

#### PAYNE, MINOR, RAY, MAIER & DAVIS

Kanawha Valley Building  
Charleston, West Virginia

New York Casualty, American Surety, Zurich, American Motorist, Lumbermen's Mutual Casualty Co., and others on request.  
Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

#### VINSON, THOMPSON, MEEK & SCHERR

First Huntington National Bank Building  
Huntington, West Virginia

Hartford Indemnity, General Accident, U. S. F. & G., U. S. Guarantee (Chubb & Son), Inter-Ocean Casualty Company (General Counsel), and others on request.  
Investigations, adjustments and trials — State and Federal Courts.

#### RUSSELL, HITESHEW & ADAMS

295½ Fourth Street, (Box 510)  
Parkersburg, West Virginia

Employers' Group—The Fidelity & Casualty Company of New York—Glens Falls Indemnity and others furnished on request.  
Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

#### NESBITT & NESBITT

600 Riley Law Building  
Wheeling, W. Virginia

Maryland Casualty Co., Travelers, Fidelity & Deposit of Maryland.  
Equipped for investigation and adjustment. Trial of insurance cases in all courts.

### WISCONSIN

#### STREHLOW & CRANSTON

510 Northern Building  
Green Bay, Wisconsin

Equipped for adjustments, investigations and trial of cases.

#### GRELLE & SCHLOTTHAUER

105 Monona Avenue  
Madison, Wisconsin

Lumbermen's Mutual Casualty Co., Zurich, Pearl Assurance Co., Ltd.  
Equipped for investigations and adjustments. Trial of all cases in State and Federal Courts and before commissions.

#### BLOODGOOD, STEBBINS & BLOODGOOD

212 W. Wisconsin Ave.,  
Warner Building  
Milwaukee, Wisconsin

#### WOLFE & HART

First Wisconsin Nat. Bank Bldg.  
Milwaukee, Wisconsin

Special attention to the Law of Fire Insurance

#### POWELL & SPROWLS

11 First National Bank Building  
Superior, Wisconsin

NEW YORK CASUALTY COMPANY, AMERICAN SURETY COMPANY, MARYLAND CASUALTY COMPANY—others on request.  
Equipped for investigations and adjustments and trial of all insurance cases.

### WYOMING

#### JAMES A. GREENWOOD

Majestic Building  
Cheyenne, Wyoming

Former Attorney General, State of Wyoming. Trial of all Insurance Cases in State and Federal Courts.

chairman executive committee American Association of Insurance General Agents and chairman Business Development work for Virginia; D. C. Hancock, Richmond, member Virginia association Business Development committee and immediate past president; J. D. Ewell, chairman executive committee Virginia association, Richmond; Stuart Ragland, Richmond, Va., chairman membership committee for Virginia association, and regional chairman for Virginia, West Virginia, North and South Carolina for the National association; Malcolm Jones of Richmond, special agent America Fore group.

### Interest in Meeting of Virginia Rating Bureau

Unusual interest attaches to the forthcoming annual meeting of the Virginia Insurance Rating Bureau at the John Marshall Hotel, Richmond, June 11 in view of the recent Virginia state corporation commission demand that fire rates in the state be reduced by \$500,000. On May 1 rates on a number of classes were materially reduced and the reduction made retroactive to Jan. 1. This move caused quite a stir among agents, who pointed out it meant the overhauling of thousands of policies, figuring return premiums and refunding to assured; the whole causing a considerable amount of work and no little expense to the local men.

### Become Pearl General Agents

The new general agency of Coffman & Daily, Austin, Tex., has been appointed general agent for Texas for the Pearl-American fleet. The appointment replaces T. A. Manning & Sons, who resigned effective May 1.

W. R. Coffman was formerly with Dexter Brothers & Coffman, general agents. W. A. Daily formerly supervised the west Texas field for the North British & Mercantile group.

### Wants Obsolete Laws Removed

TALLAHASSEE, FLA., May 19.—Commissioner Knott has recommended that the obsolete law committee of the Florida legislature repeal or amend a number of insurance measures which are out of date and impractical. A number of provisions are no longer of any useful purpose or have been superseded by newer sections, according to Mr. Knott.

### Barton Cancels Engagement

T. H. Barton, president Lion Oil Refining Company of El Dorado, Ark., who was on the program for the annual meeting of the Arkansas Association of Insurance Agents this week at Hot Springs, has found it necessary to cancel his engagement.

### Georgia Agents' Meeting

H. J. Haas of Atlanta, president Georgia Association of Insurance Agents, announces that the officers have decided to hold the annual meeting June 18-19 at the Biltmore Hotel in Atlanta.

### Surprise Party for Howard

B. F. Howard, owner of the John T. Walker agency of Union City, Tenn., was given a surprise dinner by the six companies in his agency. He was presented a fishing tackle box and he was presented by the Continental with a 25-year service emblem. This presentation was made by C. J. Lingenfelder, agency superintendent of Chicago. Mr. Howard is president of the Union City Civic Club.

### C. J. Williams General Agent

C. J. Williams has been appointed general agent in Texas for the Commonwealth and Quaker City Underwrit-

ers of the Pennsylvania Fire. Mr. Williams has purchased the general agency of Dexter Bros. & Coffman and will continue that agency under his own name, with headquarters at 1435 Allen building, Dallas. For the past ten years he has traveled Texas as special agent and state agent for the North British group, but recently resigned to establish his own general agency.

### Gentry Refused Reinstatement

LITTLE ROCK, ARK., May 19.—An appeal to the Arkansas supreme court from the adverse decision of Circuit Judge Utley will be the next phase of the litigation instituted by former Commissioner U. A. Gentry in an effort to regain that office, from which he was removed by an act of the 1937 legislature. Judge Utley held that his suit did not state sufficient cause to hold the act invalid.

Attorney-general Holt is expected to announce soon an opinion on Mr. Gentry's claim for payment of salary while in office on the basis of compensation set by an act of 1927, which was revised by the legislature in 1933 and 1935.

### Cut Alabama Sprinkler Charge

BIRMINGHAM, ALA., May 19.—The Alabama public service commission has approved a reduced schedule of charges for automatic sprinkler service in Birmingham. The commission said the revised schedule, result of "a series of conferences arising out of a complaint brought on behalf of automatic sprinkler customers by the Birmingham Fire," was calculated to effect a reduction of \$4,300 a year, or 26.2 percent.

The complaint was directed mainly against the \$60 per year minimum in the present rate. In the revised rate, effective July 1, the annual minimum is



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DETROIT AREA

### Peterson Glass Co.

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DETROIT, MICH.

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of Industrial and  
Commercial Property... A  
quarter century of factual  
appraisal service to Ameri-  
ca's more conservative  
business institutions.

### The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES  
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### GET new business • RENEW old business • DISARM competition

How? Ask about

The Fire, Casualty & Surety Bulletins  
430 EAST FOURTH STREET • CHICAGO, ILL.

determined on the basis of the diameter of the service connection, and the rate per sprinkler head is reduced from 8½ cents to 6 cents.

#### Admitted to Louisville Board

J. L. Piercy of the new local agency of Hellman, Piercy & Shaw, has been admitted to membership in the Louisville Board. The new firm is successor

to Hunter & Hellman and the S. Cook Shaw agency.

#### Southern Notes

The O. H. Hall agency, Heavener, Okla., has been sold to R. H. Barlow.

The agency of the late E. T. Barnes at Okeene, Okla., will be continued by his son, Edward A. Barnes.

Cecil Cleavenger has opened an agency in the First National Bank building, Fort Smith, Ark.

to March 15 of this year, when he joined that company. Mr. Davis had been assistant manager of Swett & Crawford, in charge of production for ten years. For five years he was manager of the Globe Indemnity at Seattle, and before that its assistant manager at Oakland. Offices are at 360 Pine street, San Francisco.

#### Brokers Exchange to Elect

SAN FRANCISCO, May 19.—The semi-annual meeting of the Insurance Brokers Exchange of San Francisco will be held June 9 to elect three members of the board of governors and two members of the arbitration committee.

Report of the nominating committee will slate D. B. Bowley, E. A. Calegaris and E. C. Gunther for the board of governors and Bruce M. Allen and H. S. Henderson for the arbitration committee.

#### Utah Agents to Meet

The semi-annual meeting of the Utah Fire & Casualty Insurers Association will be held at Ogden, May 22. Harry Badger of the Pacific Board, San Francisco, will be the chief speaker. Insurance Commissioner Neslen will also be present. There will be golf in the morning, a business meeting in the afternoon and dinner in the evening.

#### Will Meet at Sheridan, Wyo.

Chet V. Davis of Sheridan, Wyo., member of the executive committee of the National Association of Insurance Agents, will be the official host at the annual meeting of the Wyoming association, as it will meet in Sheridan, Aug. 19-20.

#### Accountants' Golf Tourney

SAN FRANCISCO, May 19.—The Insurance Accountants' Association of San Francisco will hold its annual golf tournament and horseshoe contest to-

morrow at Ingleside Golf Club, followed by a banquet in San Francisco, with Ed Engstrom as toastmaster.

#### Will Meet at Missoula

The annual meeting of the Montana Association of Insurance Agents will be held at Missoula, Aug. 27-28.

#### Carlsbad, N. M., Being Rerated

Carlsbad, N. M., is being rerated by the Mountain States Inspection Bureau. Because of its improved fire fighting system, the classification is being changed from eighth to seventh.

## EAST

#### Urges Buying Power Study

W. H. Bennett, Addressing Agents of Springfield, Mass., Advocates Impressing Insurance Weight

W. H. Bennett, secretary National Association of Insurance Agents, in an address at the annual dinner of the Board of Fire & Casualty Underwriters at Springfield Mass., recommended that the organization make a survey of the buying power of its own people to determine just what the insurance interests of the community amount to. Having determined that, he declared, no business man having to depend on the good will of the community will refuse the modern doctrine of reciprocity.

Manufacturers or merchants who refuse to permit the local insurance interests to handle their property insurance requirements are not practicing reciprocity, Mr. Bennett declared. The agents are representative citizens, supporting the community in innumerable ways. They are entitled to be treated as representative citizens by the others.

## PACIFIC COAST AND MOUNTAIN

#### Brokers Plan Amendments

San Francisco Group's Constitution May Be Modified at June 8 Meeting; Nominations Made

SAN FRANCISCO, May 19.—Amendment to the constitution of the Society of Insurance Brokers of San Francisco has been recommended to clarify the application for membership section. The amendment provides applications first will be investigated by the membership committee, then approved by the governing committee before recommendation to the executive committee. Another amendment proposed would correct a typographical error, so the terms of the governing committee will expire June 9, 1937, instead of June 9, 1938.

#### Also May Change Rules

General rules would be changed to provide that if a suspended member is not reinstated within 30 days from notification of suspension, his name will be dropped and his net deposit returned. The committee recommended regarding complaints against members that the secretary shall prefer charges on "information and belief" when action is deemed advisable. These proposals were unanimously approved by the governing committee and have been mailed to members to be voted on at a general meeting June 8. William Nankervis is secretary.

#### Brokers' Slate Announced

Nominations for the governing committee slated by the nominating committee for election June 8 for two years, include Fred Braun Co., B. F. Brisac, Davis & Jeddiss, F. Hohwiesner & Co. (incumbent); Johnson & Higgins of California (incumbent); Levison Brothers (incumbent); Marsh & McLennan—J. B. F. Davis & Son (incumbent) and A. W. Virden. W. S. French of French & St. Clair (incumbent) and S. M. Kahn of S. M. Kahn Co., are slated for the arbitration committee for 18 months terms. Bowie Detrick is chairman of the nominating committee.

#### Cochrane's Ouster Asked in Report on the Colorado Life

DENVER, May 19.—Recommendations for a thorough investigation of the insurance commissioner's office and removal of Commissioner Cochrane were made in a report by the special insurance investigating committee from the Colorado house, which has been investigating the Colorado Life.

The report concluded with the recommendation that "the present insurance commissioner be replaced with one displaying more interest in said office and with a better knowledge of the law governing his acts," after stating that Commissioner Cochrane took no interest in the affairs of the Colorado Life.

#### New Mexico Fire School

CLAYTON, N. M., May 19.—The New Mexico State Fireman's Association will hold its annual fire school here May 24-26. Clarence Goldsmith, assistant chief engineer National Board, Chicago, and H. K. Rogers, Western Actuarial Bureau, will be instructors.

#### License Revocation Reversed

Oregon Judge Says Earle's Order Against Rodgers-Hart-Banks Co. Too Severe — Fined \$50

SALEM, ORE., May 19.—Declaring that the order of Commissioner Earle was too severe, Judge McMahan of Marion county circuit court set aside the commissioner's order revoking the license of Rodgers-Hart-Banks Co., long established Portland agency. He ordered Earle to renew the agency's license on payment of a \$50 fine, which was duly paid.

It is alleged that the Rodgers-Hart-Banks Company had placed a large volume of business with unlicensed companies, particularly London Lloyds, on which the state had not derived premium taxes.

During the hearing counsel brought out that many other large agencies in the state were placing policies with unadmitted companies. Commissioner Earle stated that the Oregon statute prohibiting the placing of business in not-admitted companies will be rigidly enforced. A probable move to collect taxes from these companies on such business was reported.

#### Hearst Paper's Attack on Fire Rates Is Challenged

SAN FRANCISCO, May 19.—Reply was made by officials to an attack in Hearst's San Francisco "Examiner" entitled "Paying for 1906—San Francisco Kept in Dark on Fire Loss," which demanded fire loss statistics be made public. Officials stated there was no accurate means of determining the loss total in cities for which the National Board reports fire losses, the figures are inaccurate and largely estimates. Even when companies report losses paid, these figures, naturally, do not include the actual loss figure.

As to a statement that companies have been amortizing the 1906 conflagration losses, the officials say for years following the fire this fact was well known by most property owners and city officials without complaint being made, although from time to time there was agitation by individuals for reduction of San Francisco fire insurance rates. Fire rates have consistently dropped on the average in San Francisco ever since 1906, it was pointed out. That year records show had a higher average fire rate than since the disaster. A calculation two years ago during agitation for official action against fire companies showed the average rate dropped from \$3 in 1906 to 33 cents in 1935.

#### American of Texas in Colorado

The American Fire of Galveston has been licensed in Colorado. The W. E. McCullough agency will be general agent for Colorado, Wyoming and New Mexico.

#### Central Surety Fire Licensed

The Central Surety Fire of Kansas City has been licensed in California to write marine and automobile lines. It will be represented by Earl A. Davis, vice-president in charge of Pacific Coast operations of the Central Surety. Prior

## FIRE REINSURANCE TREATIES

### Eagle Fire Insurance Company

(NEW JERSEY)

### Baltica Insurance Co., Ltd.

(DENMARK)

Franklin W. Fort

Thomas B. Donaldson

18 WASHINGTON PLACE, NEWARK, N. J.

## NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

90 John Street - - - - - New York City

FIRE - AUTOMOBILE - WINDSTORM  
BUSINESS INTERRUPTION INDEMNITY



Those who buy their insurance "abroad" forfeit their right to good will on the part of the local insurance interests, he asserted.

Where a merchant or manufacturer is not cooperating with the insurance interests of the community, according to Mr. Bennett, it is often the fault of those interests in neglecting to inform the business man and impress him with the fairness of reciprocal arrangements.

Speaking of reciprocity, Mr. Bennett criticized the insurance companies for demanding that local agents support organized companies yet do not give proper weight to complaints of agents regarding rules, regulations and demands.

#### Reciprocity Is Needed

"There are incessant and vigorous protests from organized companies," he declared "that agents owe their allegiance to such; and it is bad business to represent any other, but when a suggestion is made that the organization companies operate along the line of a little bit of reciprocity, the idea is scorned, with the dictum that companies must be left perfectly free to do those things which their judgment dictates, regardless of consequence to agents."

In addition to W. H. Bennett, secretary of the National Association of Insurance Agents, honor guests were C. C. Parker, president Massachusetts Association of Insurance Agents; F. C. Church, president, and J. W. Downs, general counsel of the Insurance Federation of Massachusetts. Beside the members the gathering was attended by representatives of many local boards throughout western section of the state, all interested in the problems considered at the sessions. Mr. Bennett was the principal speaker at the dinner in the evening.

### Program of New York State

#### Details of Events for the Annual Convention of Local Agents at Syracuse

The detailed program for the annual meeting of the New York State Association of Local Agents to be held at the Hotel Syracuse, Syracuse, May 24-25, is announced, it being as follows:

##### Monday Afternoon, May 24

Invocation, Rev. Paul Holden Hays, Fourth Presbyterian Church, Syracuse. Welcome, R. B. Marvin, mayor of Syracuse.

Response, R. M. L. Carson, first vice-president.

An "Account Current," J. W. Rose, Buffalo, secretary-treasurer.

Speech and Personality, Hubert Greaves, professor of public speaking, Yale.

Using the Tools We Have, J. W. Mundus, Ann Arbor, Mich., past president Michigan Association of Insurance Agents, chairman Michigan joint committee of agents and field men for Business Development.

The Connecting Link, Albert Dodge, Buffalo, national councillor.

Watching Legislation, Theodore L. Rogers, Little Falls, chairman law and legislation committee.

Comments, L. L. Saunders, executive secretary Insurance Federation of New York.

Meeting of regional joint committees of agents and field men for Business Development in conference with Mr. Mundus, F. L. Greeno, general chairman, presiding.

##### Monday Evening, May 24

Opening dinner and reception to new members.

##### Tuesday Forenoon, May 25

Organizing for Business Development, report from meeting of regional committees, F. L. Greeno, Rochester, general chairman.

President's Address, Bringing Us Up-to-Date, John J. Roe, Jr., Patchogue, president.

Make No Compromises, W. Owen Wilson, Richmond, Va., president National Association of Insurance Agents.

Farm Insurance Past, Present and Future, Fred J. Marshall, East Aurora, chairman farm committee.

Dealing with the Reckless Driver, An Antidote for Compulsory Insurance Leg-

## To Give Luncheon



ROBERT C. HOSMER, Syracuse

As usual, the Excelsior of Syracuse will give a complimentary luncheon to registrants at the annual meeting of the New York State Association of Insurance Agents in its city. This will be held at noon, May 25. President R. C. Hosmer will preside over the happy event.

President Hosmer has extended a special invitation to E. S. Hawley of Buffalo to be present. He will be 91 years old in October and is still active in the business. He is older than the following companies: Agricultural, Allemania, American Central, American of Newark, Boston, Continental, Connecticut, Glens Falls, Great American, Home, National of Hartford, Phoenix of Hartford and Springfield F. & M.

Isolation, Jacob Gitelman, judge Rochester city court, criminal branch.

Has He Found the Remedy? Thomas A. Sharp, Rochester, chairman special committee for study of compulsory automobile insurance.

Insuring Public Properties, R. M. L. Carson, Glens Falls, chairman public properties insurance committee.

Other Sales Promotion and Business Building Methods, general discussion.

##### Tuesday Noon, May 25

Complimentary luncheon tendered by Excelsior Fire to registered members and guests, R. C. Hosmer, president, presiding.

##### Tuesday Afternoon, May 25

It Can't Be Done, Here It Is, W. H. A. Munns, Syracuse, chairman, fire insurance conference committee.

The Grass Is Always Greener on the Other Side of the Fence, "Larry" Dav, manager Syracuse division New York Fire Insurance Rating Organization.

If I Were a Local Agent, Charles C. Hannah, Boston, manager eastern department, Fireman's Fund.

If I Were a Company Executive, Follett L. Greeno, Rochester, past president New York State Association of Local Agents.

The Consumer Cooperative Movement, Frank C. Howard, president A. L. Davis' Son, Binghamton, N. Y.

Discussion Leaders, R. D. Constable, special agent Agricultural, Stuart F. Raleigh, Rochester, Raleigh & Munns.

Reports of casualty conference committee, Albert Dodge, Buffalo, chairman; fire prevention, Joseph H. Miller, Elmira, N. Y.; publicity and public relations, George Dietrich, Rochester; street and highway safety, Charles H. Tuke, Rochester, chairman.

Convention discussions: Mixed stock and mutual agencies. Legislative authority for rating organizations to fix commissions. Multiple agency appointments in a given territory. Premium financing. Coercion of premiums by mortgagees. Group meetings at conventions. Printing special mortgagee clauses—how important? Riot and civil commotion insurance in view of present labor unrest. Assistance to members

with individual problems. Developments in branch office situation.

Report of committee on resolutions. Report of nominating committee. Election of officers and directors. Adjournment.

##### Tuesday Evening, May 25

Annual banquet, President John J. Roe, Jr., presiding.

Introduction of distinguished guests. Address, Thomas J. Cullen, first deputy superintendent of insurance, New York. Address, Dr. Gus Dyer, professor of economics Vanderbilt University.

##### Wednesday, May 26

Annual meeting of stockholders State Association Service.

Meeting of new board of directors State Association Service.

Meeting of new board of directors New York State Association of Local Agents.

Luncheon to new and retiring officers and directors.

There will be a meeting of the executive committee on the afternoon of May 23. The directors will hold a meeting Monday morning. There will be a meeting of the board of directors of the State Association Service Monday morning and a joint meeting of the directors of the agents' association with officers and representatives of local boards in the morning.

### Fire Company Parade Feature

#### Volunteer Organizations from Allegheny County Will Participate in the Activities at Pittsburgh

Twenty-five volunteer fire companies from Allegheny county, Pa. have entered for the parade and firefighting demonstration to be held in Pittsburgh on the evening of June 3 as part of the 1937 Pennsylvania Insurance Days of the Insurance Federation of Pennsylvania.

It is expected that about 11 others will enter the parade and that the total number of volunteer firemen in line, including their bands, drum corps and ladies' auxiliaries will total approximately 2,000. In addition, there will be details of Pittsburgh firemen and policemen in the parade.

A number of girl drum majors also will be in the parade together with the ladies' auxiliary from several of the companies.

There will be approximately 40 pieces of fire apparatus in the line of march and the large majority of them will participate in the high-pressure water display which will mark the grand finale of the reenactment of the burning of Fort Duquesne and firefighting demonstration on the Monongahela wharf.

### To Discuss Standard Form

One of the principal subjects to be discussed at the annual meeting of the New Jersey Building & Loan League in Atlantic City May 27-29 will be the revision of standard forms of fire policies. The discussion will be based on the report of a special committee which has been studying the matter. L. J. Rosenthal of Rosenthal & Klein, Newark agents, is on the committee.

### Cape Ann Board Elects

GLOUCESTER, MASS., May 19.—The Cape Ann Board has elected John A. Johnson, president; F. V. Oliver, vice-president, and C. K. Steele, secretary-treasurer, all of Gloucester.

### Agency Observes 35th Year

The Steinbicker Agency of Syracuse, N. Y., is observing its 35th anniversary. Its founder died a couple of years ago. It is now managed by Leonard Kotzbauer, who has been with the agency for a number of years.

### Agent-Officials Barred

BURLINGTON, VT., May 19.—The city attorney has ruled that the city charter prohibited any city official from being interested financially, directly or indirectly, in insurance contracts with

the city where the premium was over \$100. As a result H. A. Allen of the Allen Insurance Agency has resigned as chairman of the school board and I. M. Boardman of Hickok & Boardman has resigned as chairman of the airport board. The mayor barely escaped being involved. He was formerly a member of the Peck Agency, but it was shown he had turned back his stock in the agency.

### New Jersey Bodies' Outing

There will be a joint outing of the Passaic and Bergen County Associations of Insurance Agents at the North Jersey Country Club at Patterson, N. J., June 10. A. C. Smin, 713 Main avenue, Clifton, N. J., is chairman of the committee on arrangements.

### Arrange for Brokers Table

BOSTON, May 19.—Members of the Insurance Brokers Association of Massachusetts have arranged for a brokers table at the cafeteria in the Insurance Exchange building, 40 Broad street, and from now on each Tuesday Boston and visiting brokers will make it their headquarters for lunch.

### Boston Secretary for Roosevelt

Miss Katherine Gilligan, for seven years a stenographer in the Boston agency of O'Brien, Russell & Co., has been selected to go to Washington as private secretary to James Roosevelt, eldest son and a member of the secretarial staff of the President.

### Maryland Agents to Meet

The annual meeting of the Maryland Association of Insurance Agents will be held at Ocean City, June 11-12.

## MOTOR

### See Differences as to the Collision Rate Reconciled

According to present indications, the rather sharp differences between companies that have been manifested in the promulgation of 1937 automobile collision rates, will be reconciled. The clash is mainly between those companies that do a large business with automobile financing concerns and those that do not. The former, by and large, are anxious to have higher rates, whereas many of the companies that eschew finance business desire to hold to the present rate level.

A new theory of rate relativity between cars in various price levels is under consideration and the application of this theory has evoked much conflict of opinion. According to this theory, the rates on the lower priced cars are increased and rates for the higher priced cars remain the same or in some cases are reduced.

There has been a number of conferences, but the feeling now prevails that the companies will be able to reach a compromise.

### Chicago Theft Rates Again Are Cut, This Time 25%

Another reduction in the automobile fire and theft rates in Chicago has been brought about at the instance of State's Attorney Courtney of Cook county. This time the reduction is 25 percent. The underwriters, as usual, permitted Mr. Courtney to make the announcement. The Chicago reduction was made known prior to the announcement of the general, countrywide rate revision of the National Automobile Underwriters Association. That permitted the spotlight to fall on Courtney instead of having the Chicago reduction merely incidental to rate changes throughout the country. Insurance people are willing to give Courtney much credit for breaking up the automobile theft racket. A few years



ago there was an average of 100 cars a day stolen in Chicago. Today the average is something like eight. When Courtney finally gave attention to the problem, he headed a movement that was most effective. About the same time, the underwriters secured passage of a certificate of title law for automobiles in Illinois and that was a big help.

The new Chicago rates became effective Monday of this week. It is the fifth reduction in the last four years. The average rate, Courtney announced is about one-third of what it was in 1933.

The new rate for Chevrolets is \$1.80 as compared with \$5.33 in 1933; Fords, new, \$2.35, 1933, \$9.18; Plymouth, new, \$2.15 and 1933, \$6.55; Buick, \$1.05 and \$4.19; Chrysler, \$1.60 and \$9.18; Dodge, \$1.30 and \$3.78; Pontiac, \$1.25 and \$4.59; Oldsmobile, \$1.80 and \$6.28; Cadillac, .85 \$2.90; Packard, .70 and \$1.69.

### Auto Premiums Are Taxable

Alabama municipalities, under the state law giving them the power to impose a 4 percent premium tax on in-

surers, may impose such a levy on premiums for financed automobiles of motorists residing in the municipalities even though the policies are issued elsewhere.

The action was brought by the city of Sheffield against the Home and General Exchange. That municipality imposes a 2½ percent premium tax and a flat charge of \$25 for "new" companies, subject to adjustment at the expiration of the year. The Home has regularly paid the premium tax in Sheffield on its regular agency business. However, it denied liability for taxes on premiums on account of financed cars.

The wording of the Alabama law is such as to create nice distinctions.

### M. M. Scott Resigns

Mark M. Scott of Los Angeles, automobile special agent of the Home of New York in southern California, has resigned to enter another line of business. He has been with the Home eight years and in insurance work 13 years.

plaint were National Union Fire; United States Fire; Union Marine & General; Home; Atlantic Mutual; North British & Mercantile; Connecticut Fire; Glens Falls; Thames & Mersey Marine; Commercial Union of England; Century; Hartford Fire; Universal, and Eagle Star. When the suit was filed, the plaintiffs asked for \$200,000, the full amount for which the boat was insured. Certain insurance payments reduced the number of companies to 10 and the amount asked for to \$162,000.

Judge Geiger ruled in favor of the insurance companies, who charged the ship sank due to negligence of the owners who had permitted too many holes to be cut in the hatch covers without providing sufficient tarpaulins to guarantee safety. The owners had sought to show that the boat sank because of negligence of the crew, which would not void the insurance policies.

### Quote 48-Cent Bridge Rate

An annual rate of 48 cents for property damage and U. & O. cover on the Golden Gate bridge at San Francisco has been approved by the bridge committee of the Inland Marine Underwriters Association. This rate is subject to forms to be approved. The secretary, Harold Wayne, states that much interesting information on this risk is available at his office. The San Francisco authorities are seeking \$18,750,000 property damage cover and \$3,650,000 U. & O.

### Revise Louisville Bridge Cover

LOUISVILLE, May 19.—An annual saving of \$3,798 in insurance costs on the municipal bridge is reported to Mayor Miller by E. H. West, bridge secretary. The bridge is covered by \$1,500,000 property damage insurance and \$193,450 use and occupancy.

Slight reduction in coverage in both classifications, coupled with a cut in rates from \$2.65 to \$1.48¾ and from \$2.10 to \$1.25 per thousand, respectively, brought the yearly premium outlay down from \$7,561 to \$3,763.

## CANADIAN NEWS

### Agents' Overdue Balances in Ontario Show Increase

TORONTO, May 19.—Agents' balances more than 90 days overdue show a considerable increase over a year ago, according to returns compiled by the Ontario department. Balances due to companies totalled \$283,462 March 31, compared with \$242,593 Dec. 31, and \$195,079 March 31, 1936. Those due to general agents were \$24,372 compared with \$21,480 in December and \$21,078 a year ago.

Commenting on these figures, Superintendent McNairn says: "It was hoped that the gain shown in the report for the period ending Dec. 31 would be continued, but unfortunately such was not the case and I must admit that an increase of almost \$100,000 in the balances more than 90 days overdue is indication of an undesirable situation at a time when economic conditions are improving. I would therefore suggest that it is desirable that the companies and general agents make a real effort to clean up the situation before the filing of the next return."

### New Montreal Agency

P. H. Griffin has severed his connection with Howell & Griffin and has established his own agency as Griffin & Co., 460 St. John street, Montreal.

W. J. Heffernan, Jr., formerly insurance manager for the Blanchard & Calhoun Realty Co., Augusta, Ga., who has entered the business on his own behalf, has been appointed district agent of the Aetna Life and Millers National Fire.

## INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business May 17, 1937

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	3.00*	93	96
Aetna Fire ....	10	1.60	42½	44
Aetna Life ....	10	1.10	28	29
Agricultural ...	25	3.25*	85	90
Amer. Alliance ...	10	1.20*	22	23
Amer. Equitable ...	5	1.60*	37	39
American (N. J.) ...	2.50	.55*	11½	12½
Amer. Surety ...	25	2.50	50	52
Automobile ....	10	1.20*	29	31
Balt. Amer. ....	2.50	.30*	7½	8
Bankers & Ship. ...	25	5.00	103	106
Boston ....	1.00	21.00*	650	660
Camden Fire ...	5	1.00	19½	20½
Carolina ....	10	1.30*	24	26
City of N. Y. ....	10	1.20	24	25
Contl. Cas. ....	5	1.20	26	27½
Contl. (N. Y.) ...	2.50	1.45*	36	37
Crum & For. com. ...	10	.90*	28	30
Employers Re. ....	10	1.60	46	48
Fed. (N. J.) new**	10	1.40	42	44
Fidelity & Dep. ...	20	2.00	123	126
Fidelity-Phen. ...	2.50	1.45*	36½	37½
Fire Assn. ....	10	2.50*	67½	69
Fireman's Fund. ...	25	4.00	85	88
Firemen's (N. J.) ...	5	.30	10	11
Franklin ....	5	1.20*	30	31
Gen. Reinsur. ....	5	2.00	42	43
Gibraltar F. & M. ...	10	1.20	24	26
Glens Falls ...	5	1.60	43	44
Globe & Repub. ...	5	.80	19	20½
Gl. & Rut. (com.) ...	25	...	58	62
Gt. Amer. Fire. ...	5	1.20*	24	25
Gt. Amer. Ind. ...	1	.15	8	9
Halifax Fire ...	10	.90*	22	24
Hanover Fire ...	10	1.60	32	34
Hartford Fire ...	10	2.00	66	68
Htfd. Steam Boil. ...	10	1.90*	58	60
Home F. & Mar. ...	10	2.00	38	40
Home Fire Sec. ...	10	...	4	5
Home (N. Y.) ...	5	1.25*	33½	35
Homestead ....	10	1.00	16½	18
Ins. Co. of N. A. ...	10	2.50*	64	66
Kan. City F. & M. ...	10	.60	23½	25
Knickerbocker ...	5	.80	16	17
Lincoln F. (new) ...	5	...	3½	4½
Maryland Cas. ...	1	...	6	7
Mass. Bond. ....	12.50	3.50	58	60
Mer. & Mfrs. ....	5	.60	11	12
Mer. Assur., com. ...	5.00	1.60	50	53
Natl. Cas. ....	10	1.80	17½	18½
Natl. Fire ....	10	2.00	59	61
Natl. Liberty ...	2	4.00*	8½	9½
Natl. Union ....	20	4.00*	128	131
New Am. Cas. ...	2	.30	14	15
New Brunswick ...	10	1.35*	34	35
New Hampshire ...	10	1.60	46	47½
New Jersey ....	20	2.00	49	51
Northern (N. Y.) ...	12.50	4.00*	190	193
North River ....	2.50	1.00*	24	26
N. W. Natl. Fire ...	25	5.00	130	134
Pacific Fire ....	25	5.00*	136	139
Paul Revere Fire ...	10	1.30*	24	25½
Phoenix, Conn. ...	10	2.50*	85	87
Preferred Acc. ...	5	.60	18	19
Prov. Wash. ....	10	1.40*	33	35
Repub. Ins., Tex. ...	10	1.20	24	26
Rossia ....	5	.80*	10½	11½
Security ....	10	1.40	36	38
Sprgfd. F. & M. ...	25	4.75*	117	120
St. Paul F. & M. ...	25	6.00	200	205
Travelers ....	100	16.00	469	470
U. S. Fire. ....	4	1.90*	50	52
U. S. F. & G. ....	2	...	32½	34
Westchester Fire ...	2.50	1.40*	32	34

\*Includes extra. \*\*Canadian funds.

### Large Fire Losses for the Month of April Are Given

(CONTINUED FROM PAGE 3)

Washington, Pa., furniture store, \$150,000; Washington, Pa., three business buildings, \$300,000; Tampa, business building, \$200,000; Waterproof, La., business block, \$100,000; Freeport, Ill., department store, \$100,000; Zion, Ill., church and radio station, \$600,000; Des Moines lumber plant, \$100,000; Detroit, four yachts, \$500,000; Detroit chemical plant, \$250,000; Mankato, Minn., business and apartment block, \$150,000; South St. Paul, sheepshed, \$250,000; Snyder, Okla., three business buildings, \$175,000; Milwaukee corn mill, \$1,000,000; Wisconsin Rapids business block, \$250,000; San Francisco paper plant, \$100,000; Santa Rosa, Cal., warehouse, \$140,000; Clovis, N. M., three business buildings, \$200,000; Canyon City, Ore., business section, \$150,000; Seattle lumber plant, \$150,000.

### Seek Lower Mississippi Rates

JACKSON, MISS., May 19.—Attorney General Rice says plans are under way to redraft Mississippi's fire insurance laws in an effort to secure lower rates. He has appointed W. T. Wynn, Greenville attorney, a member of the state insurance commission to fill the vacancy caused by the death of H. H. Boswell of Coffeeville.

The Hammond, Ind., Board of Underwriters will meet June 7.

## MARINE INSURANCE NEWS

### Inland Marine Modern Line

Great Potentialities Seen by Manager  
Lawson in Lecture on All-Risks  
at St. Louis

Inland marine insurance is the most up to date form of indemnity, E. D. Lawson, western marine department manager Fireman's Fund, Chicago, stated in the final lecture of the St. Louis Fire Underwriters Association in a series with national authorities on various lines as speakers. The best insurance advertising is finding its way into development of this line, he said. Real sales and underwriting experts are available. The staffs are of young men filled with enthusiasm and the coverage itself is not cut and dried but is extremely elastic, up to and including the all-risks—all-situations coverage, which is so broad it stirs the imagination, he said.

### Many Companies Active

Some 15 or 20 years ago only 25 to 30 companies were active in the inland business of this country and only five or six offices did any substantial volume of it, whereas today there are 150 companies active in the field, plowing thoroughly. Much valuable sales literature is going out on inland marine. It is a line on which great emphasis is being placed.

Mr. Lawson discussed the difficulties arising over operation of non-organization inland marine companies. He said for many years the business was free from bureaus, but the Inland Marine Underwriters Association finally was formed to cure ailments arising from many companies having entered the field lured by large premium potentialities. The I. M. U. A., he said, has had a strong, steady influence, and has produced for brokers and agents a parity of opportunity.

### Competition Helps Somewhat

While non-organization companies have been active, he believes they are not an unmitigated evil for organization companies. Stock companies in England have progressed steadily for many years, he said, in the face of the outside market provided by London Lloyds. He stated about 95 percent of the inland business written in the country is placed in I. M. U. A. companies.

Inland marine companies have blazed the trail in many ways, he said, citing automobile and aircraft insurance. For the most part they have underwritten the business carefully and built up many safeguards. They were instrumental in developing the protective double window glass for jewelers, steel strapping for shipping packages, the Babaco truck alarm and the "safety overturn switch"

for trucks and buses. Their recommendations were responsible for introducing examination of eyes and finger printing of truck drivers.

### Unusual Claims Paid

The policies are so broad they often invite fraudulent claims, Mr. Lawson said, yet many unusual risks may be covered. He noted losses paid for cremation of false teeth, for false teeth lost overboard at sea, for breakage of a cork leg in an automobile accident, for damage to a valuable painting due to children painting a mustache on it, for theft of shrouds from a salesman's car, for pearls worn barrel shape, and he cited one of the smallest inland claims ever received, 38 cents for loss of tooth brush and tooth paste.

The lecture course is preliminary to the regular Insurance Institute to be opened next fall. It was arranged by the association's educational committee composed of W. C. Ploeser, chairman; Walter Boehmer, C. P. Daniel, O. D. Evans and Thomas Kingsley, Jr.

Prior to the meeting Mr. Lawson was guest of the St. Louis Court of Cats Meow at dinner. J. L. Kelly head of the order, was toastmaster.

### Two Field Men Called to American, N. J., Home Office

C. H. Kirkland, Jr., formerly with the Royal, has joined the marine department of the American of Newark in the head office as assistant to H. W. Melville, manager marine department. Mr. Kirkland attended Colgate University, joined the Royal in 1931, and for the last year was special representative in Ohio.

E. G. Linke, formerly with the Travelers Fire as assistant superintendent of its western marine department in Chicago, goes with the American as superintendent of the western marine department in Rockford, Ill. He is a graduate of Dartmouth, joined the Travelers Fire in 1926, being for five years in the fire department, and for the last six years in the marine department.

### Material Service Owners Lose Insurance Action

MILWAUKEE, May 19.—Federal Judge Geiger has dismissed the suit in admiralty to collect \$162,000 insurance for the loss of the sand-boat Material Service, which sank off South Chicago on July 29, 1936, with the drowning of the captain and 14 of the crew. The Leatham Smith-Putnam Navigation Co., Chicago, owner of the boat, had brought suit against the insurance companies covering the risk.

The companies named in the com-



## Annual Meeting of W. I. B. Held

(CONTINUED FROM PAGE 3)

Dec. 31, 1936, he observed, those companies had assets of over \$2,500,000,000, with liabilities of less than a billion dollars and surplus to policyholders of more than \$1,500,000,000. The reserves which have been created will under normal conditions discharge the companies' obligations. On the other hand, should losses be abnormally high or should a conflagration occur, the companies would have more than \$1,500,000,000 of surplus to meet such contingencies. The strong financial position is the result of an appreciation in securities for the past few years and reasonable underwriting profits because of low loss ratios, he pointed out.

### Government Control

Mr. Clark referred with regret to the trend toward control and direction in the hands of government. The direction of enterprise must come from the spirit and capacity of a free people, acting upon sound principles and with proper motives, he declared.

"A real necessity exists," he declared, "for more consistent methods in our business, especially those relating to the expense of conducting it, and the conditions are such as to demand a prayerful consideration of all those depending upon the business for a livelihood."

Because individuals in the business and the companies differ in underwriting methods and policies they should not fail to unite in a common endeavor toward the betterment of the business and in this all companies, regardless of affiliation, have a solemn obligation resting upon them, he declared.

Large profits in insurance as in other enterprises usually prove to be a serious temptation to drive for the development of more business. This sometimes leads to unfair competition and tends to

increase expenses beyond the margin of absolute safety.

Intensive drives for business usually lead to a certain laxity in the selection of business, with its inevitable underwriting losses and the swinging of the pendulum in the other direction to correct these mistakes by undue economy and caution.

"Those in charge of company affairs should keep their heads up and their feet on the ground and refrain from becoming overly ambitious," he asserted.

Mr. Clark announced that at this meeting the membership will be asked to vote upon the proposal of the subscribers committee that the rules of practice be revised so that all risks will be eligible to be written for a term of years at the reduced term multiple, except stocks of merchandise. Feeling that this step may be rather far-reaching in its effect, Mr. Clark declared, the directors of the bureau considered it advisable to defer final action until the membership as a whole could act. In recent years, he pointed out, the rules governing term insurance have been gradually broadened and liberalized until at present the term privilege is granted to all risks except a few isolated classes. These exceptions, according to Mr. Clark, are purely arbitrary and the theory is that risks of the type excluded from the term privileges could just as well be written for a term of years as other classes which are now eligible.

Mr. Clark announced that the proposal of the subscribers committee that frame hotels and seasonal resort properties of all types be eligible to be written for a term of years at the reduced multiple would be submitted to the membership. Heretofore, he pointed out, the term privilege has been denied to frame hotels and to seasonal resort properties,

except cottages, dwellings, private boarding and/or rooming houses, and out buildings to be used in connection therewith, etc.; board and rooming houses are interpreted as risks with not to exceed 20 rooms. The tendency in modern resort properties is to have a main lodge with cottages and dwellings on the same premises and operated in connection. Desirable risks have been lost to competing interests because of the inability to write the insurance for a term of years.

Mr. Clark referred to the fact that recently there has been developed a form of extra expense insurance in the west similar to that employed in the east and on the coast. The bureau directors approved the recommendation of the subscribers' committee that this form be approved.

Mr. Clark announced that Alfred M. James had resigned as vice-president and a director of the bureau. Mr. James, who was president of the Northwestern National, was recently elected chairman of that company. W. D. Reed, now president of Northwestern National, replaces Mr. James as a director of the bureau. Charles D. James, vice-president Northwestern National, has been substituted for Mr. Reed as a member to represent the Northwestern Underwriters agency.

Alfred James has been elected to life membership in the bureau.

Mr. Clark referred to the recent recommendations of a special committee of the Western Loss Association on the subject of public adjusters and contractors in Chicago. Those recommendations, Mr. Clark announced, would be submitted to the bureau membership.

Mr. Clark reported that the bureau headquarters in the Insurance Exchange building, Chicago, will be moved to smaller quarters due to the fact that the Western Inter-Reinsurance Bureau was liquidated as of Jan. 1, 1937.

H. M. Giles, president Millers National, gave the treasurer's report. W. E. Wollaeger, president Concordia, reported as chairman membership committee; R. S. Danforth, assistant secretary Millers National, reported for the field club committee. E. E. Soenke, secretary Security of Davenport, gave the report of the uniform forms committee.

There is a very large attendance at the meeting with a number of eastern company officials and wives in attendance. Discussions in the hotel lobby indicate premiums are increasing and loss ratios are very satisfactory. The following committees were appointed: Press, H. A. Clark, Firemen's and J. C. Hiestand, Ohio Farmers; entertainment, W. E. Wollaeger, Concordia and Lloyd W. Brown, Firemen's. The Northwestern National membership with former President A. F. James is transferred to President W. D. Reed and Vice-president C. D. James was elected to membership for the Northwestern Underwriters succeeding Mr. Reed. Various committee reports were submitted and approved.

Recommendations submitted in the board of directors report presented by H. A. Clark were approved. Resolution approving report of Western Loss Association and commending it for its constructive work, was presented. A vote of appreciation and thanks was extended to President Clark for his splendid report and inspiring remarks.

### Want Clark Reelected

President Clark requested he be relieved of the presidency but the sentiment seems to favor his reelection to the presidency and chairmanship of board of directors. The membership is in favor of holding the fall meeting at Asheville. Report of subscribers actuarial committee was presented by Secretary R. D. Hobbs, manager Western Actuarial Bureau.

The annual meeting of the Western Sprinkled Risk Association was held today. E. S. Inglis of Corroon & Reynolds was elected president to fill the vacancy caused by the death of Ralph Rawlings and H. A. Clark was elected chairman of the executive committee. Mr. Rawlings' place on executive committee was filled by the election of V.

L. Gallagher, Pearl Assurance. Report of the manager of the association for the fiscal year showed fine progress and profitable results. General revision and clarification of the constitution and by-laws which has been in hands of sub-committee for some time was considered.

### Date for Michigan Meeting

The officers of the Michigan Association of Insurance Agents have set Sept. 14-15 as the date of the annual meeting to be held at the Pantlind hotel, Grand Rapids. The Michigan Safety Congress will meet in the same city, Sept. 15-18.

### Fete Hanover 20 Year Men

Five employees of the Hanover, who have completed 20 years in its service, will be feted at a luncheon Friday. They are: Vice-president A. E. Gilbert; Chief Underwriter J. H. Vey and Special Agents E. W. Kelly, New Jersey, H. W. Robertson, Kentucky and Tennessee, and G. F. Krank, eastern New York.

## REMINDER #3

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with bath \$2.50  
from... \$2.

THREE AIR  
CONDITIONED  
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AN  
EPPLEY HOTEL

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# OMAHA

AIR CONDITIONED BED ROOMS  
NOW READY

## INSURANCE MEN

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Coming  
and  
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F. W. PALLANT GEN. MGR.

1000 ROOMS \$2.50  
WITH BATH FROM

Largest in CINCINNATI

REPRESENTED IN  
CHICAGO by Harry McEvoy, Hotel Sherman  
PITTSBURGH by Bothwell & Warner, Standard Life Bldg.

## Check in

at

In CLEVELAND at  
**The HOLLENDEN**

In COLUMBUS at  
**The NEIL HOUSE**

In AKRON at  
**The MAYFLOWER**

In TOLEDO at  
**The NEW SECOR**

For Your Winter Vacation:  
In MIAMI BEACH at  
**The FLEETWOOD**  
*An Exclusive Winter Resort Hotel*



## North Carolina Agents Convene

(CONTINUED FROM PAGE 3)

can group; Vice-president Benjamin Rush, Jr., Indemnity of North America; Vice-president J. W. Randall, Travelers, and Southern Manager C. A. Bickerstaff of the Fireman's Fund and president Southeastern Underwriters Association. Secretary L. T. Wheeler of the Southeastern Underwriters spoke on "The Progress of Cooperation and Understanding." K. H. Bair, immediate past president National association, spoke on "Cooperation: Its Success or Failure." He reviewed Business Development work.

Greetings were brought by Insurance Commissioner Boney, Chairman L. E. English, executive committee American Association of Insurance General Agents, Manager Landon Hill of the North Carolina Inspection & Rating Bureau, Manager S. C. Southard of Compensation Rating & Inspection Bureau, Chairman Godfrey Cheshire of the North Carolina Fieldmen's Conference, William Goldsmith, past president South Carolina Association of Insurance Agents and honorary member of the North Carolina association, and Stuart Ragland, representing the Virginia association.

Reports were submitted by R. L. Price on the national midyear convention and Chairman B. S. McKeel of the North Carolina committee on rates, rules and forms.

The Pinehurst Insurance & Real Estate Exchange was convention host. L. L. Biddle, II, is president and H. J. Menzel is secretary.

Presented as "the best insurance commissioner in the world," Mr. Boney was met with an ovation as the audience stood. He stated he had 505 deputy commissioners for fire prevention in the membership of the North Carolina association. He paid a high compliment to the full time manager plan and Manager S. G. Ostot.

Mr. Conick's address was an appeal for the "agent to recognize that a good agent may have no fear from non-stock competition." He quoted the statement of the manager of a non-stock company who said that giving a premium up to 45 percent was of no avail, when the line was being solicited by a good stock local agent.

### Pas Presidents' Dinner

Upon motion of Past President Scott, telegrams were sent to all past presidents who were ill or not able to attend. Past President McAlister Carson responded to the welcome offered by President Richard Tufts of Pinehurst, Inc.

A happy incident of the past presidents' dinner on the evening preceding the convention was presentation of four elaborate traveling bags as tributes to the services of Past Presidents Meanes, Coghill and Carson, who served respectively as presidents for one year. A similar gift was bestowed on retiring President Dimmette before the convention closed.

President Dimmette said North Carolina has been in the front of the business development movement. He expressed the hope that a similar program will be worked out soon for casualty lines. He asked the convention to go on record as favoring the working out of such a program by the National association and the casualty companies.

He said considerable progress has been made in organizing local boards for each county, this making for better understanding between companies and agents. He urged each board to promote an educational program, suggesting that they get in touch with the extension department of the state university for cooperation in giving a correspondence course on insurance. Mr. Dimmette expressed his thanks to National association officers and to Mr. Redden, vice-president and executive committee chairman, for their cooperation.

Mr. Redden outlined briefly work

done to secure cooperation of companies and agents. He also praised highly activities of President Dimmette and Manager Ostot.

A story of continued progress was the report of Mr. Ostot. The association has enrolled practically 100 percent of the eligible agents. Thirteen new local boards were organized, mostly in small towns, the cities already having been organized. In some of the smaller towns, county boards have been formed, all resulting in harmony of action. Formation of the new boards has increased the association's representation by 34 towns. Last year there were members in 98 towns, while today there is representation in 134 cities and towns.

The year brought the clearing of mixed agencies by a number of casualty companies, with this program being established by all casualty companies. Splendid relations have been carried on between the association and the state insurance department, the North Carolina Inspection Rating Bureau and the Fieldmen's Conference.

Commendation was paid Chairman O'Berry of the legislative committee. The report was accorded much praise.

The report of the membership committee which was made by Chairman W. M. Boice showed membership of 505, gain of 85 since the last convention. This gives the North Carolina association fifth place in the National association, being topped only by California, New York, New Jersey and Texas.

The report of the legislative committee, submitted by Chairman O'Berry, showed no adverse legislation.

### Harmony Marks Proceedings

All of the convention proceedings were marked by the utmost concord. Forty-eight towns were represented, the Charlotte Insurance Exchange bringing 18 agents. Incoming officers were installed by K. H. Bair, immediate past national president. W. O. Wilson stopped at Pinehurst on his way to the Sumter meeting of the South Carolina Association of Insurance Agents.

The passing of former Commissioner Young was mourned. The Association requested the southeastern department of the Fire Companies Adjustment Bureau to permit individual local officers to place their own automobile insurance.

Manager Ostot, past president, who has served the association so efficiently, was reelected by the directors. Mr. Bair was elected an honorary member.

The association stood in tribute to Past Presidents Francis Womack, Alexander Webb and Walker Taylor, the three living charter members. Telegrams were received from F. T. Priest, who had previously represented the National association at a meeting of the North Carolina Association, and Colonel Taylor. P. T. Kelsey, retired United States manager of the Sun, now a resident of Southern Pines, six miles from Pinehurst, was recognized and spoke briefly.

### Golf Prizes Awarded

Winners in the golf tournament were as follows: Company representative play: Low gross, prize by Pinehurst Insurance & Real Estate Exchange, won by P. F. Lee; local agents play; low gross, prize offered by Seibels, Bruce & Co. of Columbia, S. C., won by Walker Taylor, Jr.; low net prize by Seibels, Bruce, won by M. M. Murphy; runner-up low gross, prize by Fidelity & Deposit and American Bonding, won by E. E. Bullock; low net for 17 holes,

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prize by Fidelity & Deposit and American Bonding, won by Sam Fisher.

The local boards officers meeting presided over by Secretary Earl Johnson of the Raleigh Insurance Exchange was attended by 28 representatives, a number of important matters being discussed. Consideration was given to a number of vital topics in the executive session.

## Rural Protection Crusade Boosted

(CONTINUED FROM PAGE 5)

up the individual committees of the N.F.P.A., which work constantly throughout the year, studying fire waste matters within their scope, and then bring the result of their deliberations to the association in an annual report.

Rural fire protection came in for a fair share of attention during the meeting. New equipment standards for all fire departments were set up by the association, on the recommendation of Dr. D. J. Price's farm fire protection committee. It also issued a model ordinance governing the organization of a volunteer fire department, so drawn up that it can be used in any locality. A model bill for state legislatures that would enable communities to organize for fire protection was also suggested. Frequently volunteer fire departments start off in a wave of enthusiasm, but unfamiliarity of its organizers with the problems they are apt to meet soon results in a general letdown. Standards set up by the N.F.P.A. tend to put the volunteer departments on a firm foundation at the beginning.

An effective program of fire protection for areas outside corporate limits has been established in California. It was drawn up after a number of serious rural fires during the summer of 1928 ran up tremendous losses.

L. S. Bush, chief engineer Pacific Board, discussed the California rural protection plan. Fire districts were set up, equipment suitable for making rural runs and handling the most frequent types of rural fires was purchased for these districts.

Such fire districts are organized and maintained in strict compliance with state laws, under supervision of the county. Money is secured from taxes levied against all assessable property within the district. An outstanding example of the California plan is in Kern county, which is approximately the size of Massachusetts. Oil fields there increase the fire hazard. Now the county has 16 fire trucks and will probably purchase seven more this year. Total cost will be \$144,000, which means a per capita tax of \$5.75. After equipment has all been purchased, it is estimated that the maintenance cost annually will be \$17,000.

Loss ratios in Kern county have dropped from 166.5 percent in 1932 to 39 percent in 1936, with a low of 24 percent in 1934.

Mr. Bush pointed out that five things are essential for efficient rural fire protection. They are: creating a public desire for protection; adequate laws for organizing and financing fire districts; good fire department organization; fire apparatus and equipment suitable for the local problems, and available water supply.

It was announced that in some quarters these requirements as set up by the N.F.P.A. are considered too strict. The opinion of the body was, however, that it would be dangerous to establish rate reductions for rural property without stringent restrictions. If it is found that the requirements are too strict, they can be modified later.

Ira D. Goss, farm manager of the American Fore, told about the new program in the western states whereunder fire insurance rate credits ranging from 5 cents to 8 cents are given to farmers who are serviced by an approved rural fire department, who have available an approved water supply and who have a telephone. The rate credit has been introduced in several states. He men-

tioned that the Kansas commissioner refused to allow the credit because the requirements are too severe. The underwriters, according to Mr. Goss, intended that the requirements be severe. They want the credit to be earned only after a combination of circumstances is created that gives real promise of putting out farm fires in their incipency.

### Air Conditioning Problems

Increasing popularity of air conditioning and ventilating systems in all types of buildings, including residences, has brought with it a serious fire problem. The ducts through which conditioned air is passed to all parts of buildings also furnish an easy path for the travel of fire. Fire department officials and N.F.P.A. men have recognized this hazard for some time. As a result a blower system committee advanced regulations for these systems at the meeting.

It is essential that the installation of ventilating ducts be absolutely fireproof. Automatic devices must be provided, so that heat and smoke can be cut off and restricted to small parts of any system in case of fire. These and other less important danger points are covered in the committee recommendation. They require that the ducts be constructed of non-inflammable material, and only acceptable fire-resistive lining may be used inside the ducts. Automatic fire doors and dampers must be provided at specified points.

### Automatic Sprinkler Ordinance

A guide for cities wishing to establish ordinances requiring automatic sprinkler systems in extra hazardous buildings where there are particular life and property hazards was provided by special committee. The model ordinance provided was not offered as a cure-all, but was so prepared that it can be used in the average American and Canadian city to better existing conditions. It specifies that special protection be provided in such occupancies as garages, hotels, apartment houses, theaters, institutions, schools and public buildings. Occupancies which are considered highly combustible such as those where inflammable liquids are commonly used, also come under the jurisdiction of this ordinance.

### Elliott Reelected

G. W. Elliott was chosen to serve as president of the association for the second time. The efficient manner in which Mr. Elliott guided deliberation of the group is the result of his wide experience in the presiding chair. In his home city, Philadelphia, he serves as general secretary of the chamber of commerce and chairman of its fire prevention committee. He is also vice-president of the local crime commission and former commissioner of public safety there. Mr. Elliott is also prominent in boy guidance work. He is an officer or director in three Philadelphia organizations which work with boys.

While he was in Chicago, Mr. Elliott addressed the Rotary Club on the boy movement. His talk was so well received that Rotary International attempted to sign him up for three speaking engagements before his return to Philadelphia. It was universally agreed that it would have been impossible for any one to do a better presiding job at the N.F.P.A. meeting.

With the great number of technical reports and the wealth of detail presented, it would have been easily possible for sessions to lag. Mr. Elliott, however, kept interest at the peak throughout, members unanimously declared.

### Get Kansas City, Kan., City Line

KANSAS CITY, KAN., May 19.—The local board here has secured the insurance on the new Wyandotte high school, which is expected to run around \$1,500,000, and the \$316,000 fire and supplemental coverage on the Memorial Hall. Commissions will be allocated to members of the board according to premium volume.



## F. H. Wentworth N. F. P. A. Genius

(CONTINUED FROM PAGE 5)

instance, to those who go to E. U. A. meetings. The N. F. P. A. sessions continue for five days and while the members have their evenings, too, they go to the convention for what is said in the convention hall and they remain faithfully through prolonged sessions devoted to engineering and technical minutiae without the least sense of martyrdom.

It is obvious to the observer that this couldn't always have been. At one time, certainly, this scientific, enthusiastic and absorbed search for fire hazards on the part of representatives of dozens of potent industries, trade associations, insurance, etc., was not pursued.

You are sitting in the lobby, chatting with a fire marshal. Most of the conventioners are lounging about, the hall is partly filled and there is an enjoyable social and "contacting" period. Then there is a pleasant but imperative voice: "Gentlemen, please help us by coming into the hall. We are late and there is a full agenda this morning."

That is all. In three minutes all have taken their seats and Carl W. Wheelock is explaining that the committee on blower systems has decided in deference to the desires of the manufacturers to substitute the word "should" for the word "shall" in section 17 governing the fire resistant gradient in the room in which the fan and air handling equipment is located.

### Wentworth Is the Man

The man who got the meeting started in three minutes is Franklin H. Wentworth, a man with bushy white hair, genial smile, clad in afternoon frock coat but with a conventional necktie instead of his former flowing tie.

Mr. Wentworth is the genius of the N. F. P. A. He is almost the original fire prevention crusader. When he started crusading, governors and presidents did not issue proclamations for Fire Insurance Week, fire prevention lecturers were not campaigning through the country, town inspections were unknown. Indeed, fire prevention work was "socialistic," it was unpopular and the crusade was pressed forward against resistance every step of the way.

Mr. Wentworth was born in Chicago. As a young man he happened to get a job with the General Electric Company there. That was in the 1880's. The first incandescent lamp and the first arc light had been introduced not so long before. Commercial electric installation was being introduced at a great rate and a tremendous boom was in progress. Mr. Wentworth pitched in and was as avid an installation and field man as there was. The fire prevention conception did not appear to him on Mt. Horeb.

### Wiring Ran Riot

Electric wiring was "running riot," as Mr. Wentworth expresses it. High and low tension wires were being run through streets and over roofs of buildings. People were being electrocuted at their telephones as a result of crossed wires on the roof. Span wires holding trolleys were fastened to the fronts of buildings. The buildings had not been constructed for wiring, with channeling, and there was no system of wiring that took consideration of the fire hazard. Nevertheless, this indiscriminate wiring did not incense young Wentworth at the time. He was busy in a booming industry.

The late W. H. Merrill about 1893 went from New York to Chicago. Young Wentworth had known Mr. Merrill. The insurance companies by that time were becoming exceedingly alarmed because of the electrical wiring situation. Fires due to improper wiring were becoming more and more numerous. The companies were getting more and more disturbed.

The companies were undertaking to

shape a program to control the situation. Mr. Merrill went to Chicago to set up the Underwriters Laboratories. A room over the horses in the patrol house on Monroe street, Chicago, was secured and a motor generator installed to test wires. That was the extent of the laboratories. Mr. Merrill aroused the interest of his young friend, Wentworth, in the laboratories' project and induced Wentworth to join the laboratories as his assistant. Wentworth's former friends were outraged. Here he had been engaged with them in the constructive task of installing wires and now he had become a destructive critic. He was a traitor to the electrical game. He was regarded as a bitter enemy.

### Union Tackled Problem

In 1894 the Union (Western Union, predecessor of Western Underwriters Association) appointed a committee to formulate a program for electrical inspections. The late H. C. Eddy, who was western manager of the Commercial Union, was chairman of that committee. Incidentally Mr. Eddy was chairman of the fire prevention committee of the Union as long as he lived. The companies had commenced to conduct electrical inspections through the field men as best they could. A few rudimentary and obvious ideas formed the basis of these inspections. However, the companies discovered that such inspections were far from satisfactory. The inspectors could gain the attention of the owners of an insured building and frequently could persuade him to re-vamp his wiring in the interests of safety. But the man next door, who was not insured, more often than not would refuse to permit inspectors to enter the premises and he could not be reasoned with.

Mr. Wentworth was introduced to Mr. Eddy by Mr. Merrill. Wentworth at that time was assistant secretary of the laboratories. Mr. Eddy importuned Wentworth to conduct an electrical inspection project for the Union. Wentworth was reluctant to do so but was finally persuaded.

### Problem for Cities

Mr. Wentworth and the company managers finally decided that the only way to control the situation was to induce the cities to control it themselves. They decided to work for legislation creating city electrical departments. That was the program and Wentworth for the next five years lived in sleeping cars and hotel rooms, making the circuit of Detroit, Chicago, Milwaukee, Omaha, Minneapolis, St. Paul, etc.—haranguing, imploring, threatening politicians, carrying on propaganda through the newspapers and journals. He was opposed some times by the utilities. He was charged with being a socialist. "For a long time, I was considered by certain agencies a mean cuss," he said.

In the various cities he would make surveys showing how bad the wiring situation was. Failing to get action by direct appeal to the politicians, he would go to the newspapers and "give them a blast."

### Gift of Gab

"For that job I had to have the gift of gab and come down hard when I had to," Mr. Wentworth observed. After doing much spade work, Mr. Wentworth finally began to get success. The first ordinance was passed in St. Paul, either in 1895 or 1896—the exact date now escapes Mr. Wentworth. He attributes the passage of that ordinance to a poignant animal interest story. In that city, as in others in that day, the span wires holding the trolleys were fastened to the fronts of buildings. The fronts of buildings were sometimes alive with current. There were many fires and the firemen were not able to put up ladders. In St. Paul, during one fire, the trolley came

down on the backs of two fire engine horses. These animals fell down, crying, and had to be shot.

Mr. Wentworth seized his opportunity. He got to the papers a dramatic story of the wretched plight of these animals. "Have you ever heard a horse crying?" Mr. Wentworth asked. "It is the most pitiful sound I know." This story gripped the imagination of the citizenry. It crystallized sentiment and the desired ordinance was soon passed.

Mr. Wentworth states that he will always be grateful to the officials of the St. Paul Fire & Marine for aiding him in his campaign in that city. He recalls, without rancor, that some of the leading agents of that city, however, feared to stand back of him, because of the danger of losing the insurance on the utilities' properties.

### Other Cities Followed

After the ordinance in St. Paul was passed, the other cities in the middle west began to follow suit. In five years the objective had been pretty well achieved. "I had become sick and tired of seeing politicians and living in trains and hotel rooms," Mr. Wentworth now recalls. "I quit everything and spent a year bumming around in Europe."

When he returned to this country, he was soon set upon again by Mr. Merrill.

"It was my love for Merrill that got me into this business," Mr. Wentworth declares. "He was a builder and creator, a man rich with ideas. He inspired me to go along with him. I wish I could make some of the younger men visualize Merrill."

Mr. Merrill induced Mr. Wentworth then to start the New England office of Underwriters Laboratories in Boston. That was about 1905. Incidentally, all the time that Mr. Wentworth was doing the special job for the "Union," he retained his title as assistant secretary of the laboratories.

### N. F. P. A. Was Operating

In the meantime the N. F. P. A. had been organized as an outgrowth of some demonstrations conducted by Everett Crosby in his barn in Newton, Mass. Crosby set up a sprinkler system in the barn and called in his friends to see it work.

At that time, the sprinkler people like the electrical interests were "running on their own." Local insurance boards in the various cities had different standards. There was much confusion and uncertainty. Incidentally, Mr. Wentworth has in his files the copy of a letter of instructions sent by the official of what is now one of the largest companies in the country, instructing its field men to keep off splinklered risks because of the danger they created of causing water damage.

Mr. Crosby's group of barn conferees began to constitute more or less of a formal unit. They were mainly special agents and engineers. Mr. Merrill invited them to meet in Chicago and in 1896 in New York they organized the N. F. P. A. Of that group, Everett Crosby and Mr. Wentworth are among the very few survivors. Everett Crosby, now retired, who was with H. W. Brown & Co., which later became Brown, Crosby & Co., was the first N. F. P. A. secretary. His father, Umberto C. Crosby was the first president.

### Took Job as Secretary

Mr. Merrill later served as N. F. P. A. secretary but he was so busy with affairs of the laboratories that he invited Mr. Wentworth to take his place as N. F. P. A. secretary. Mr. Wentworth states that he saw an opportunity there to make a fire protection literature that people would understand. He took the job and was thus the first paid official of the N. F. P. A.

"The biggest thing I've done is evolving a complete fire protection literature that the common man can understand," Mr. Wentworth states. That literature is in the quarterly magazine, bulletins, fire reports—"all written with the idea

of making them intelligible to everybody."

"Now we have a wonderful, growing concern. It runs itself. The beauty of it is that the work is all done by unpaid labor except for the staff. There is no enterprise that calls to its service so many able men."

The N. F. P. A. membership list is impressive. Mr. Wentworth is proud of it. He takes special satisfaction in the fact that some international organizations belong. The impressiveness of the membership roster also creates a big problem. Many diverse and potent interests are represented. A continual job of harmonizing must be done. Compromises must be made or else the association would work in a vacuum. That is, theoretically ideal rules and regulations cannot be prescribed at all times, because progress would be impeded or at least the industrialist would think that it would be and would not cooperate. At the Chicago conference, for instance, some of the most excited discussion was whether the word "should" or "shall" should be used in connection with fire prevention rules governing some new industrial development. Mr. Wentworth is a genius for reconciling these differences, for dealing with hot situations with just the right touch. He is a crusader, but a man of humor and one who is able to handle complex relationships easily.

In building his staff, Mr. Wentworth has sought men who can "manage the show." He wants men who can write a good letter, a good bulletin, who have a feeling for language as well as engineering knowledge and who can "manage a show."

### Cards on Table Policy

Mr. Wentworth has always pursued a "cards on the table" policy. He has sought to win the confidence of all classes of membership. For instance, he has held severely to the line that there shall be no rivalry in the engineering aspects of mutual and stock insurance. An engineering truth known to one class of insurer must be made available to the other class, he insists.

The job ahead, as Mr. Wentworth sees it, is to keep abreast of the ever new developments. He cites the Chicago program that dwelt on fire prevention problems in air conditioning installations, truck transportation, in the merchandising of comparatively new oil products such as propane and butane.

The N. F. P. A. almost from the start, saw the value of the Underwriters Laboratories. The leaders in the N. F. P. A. realized that they could not prescribe fire prevention standards for industry without having tests. Accordingly from the start, the N. F. P. A.'s activities were closely associated with Underwriters Laboratories.

## Look Toward Amicable Plan in Solving St. Louis Issue

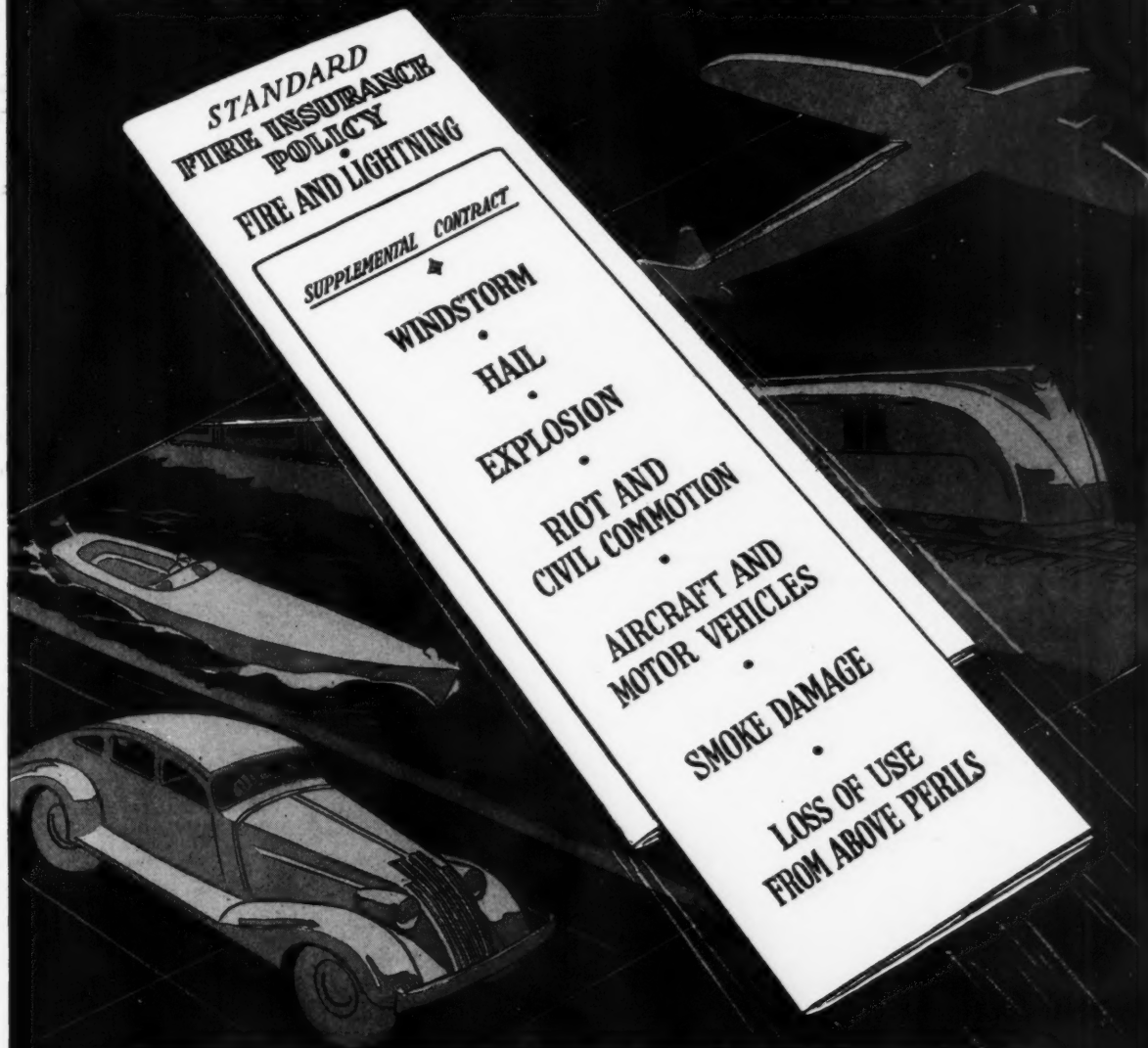
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to the controversy regarding the request by the Case, Thomas & Marsh agency to transfer its Class 1 membership in the Fire Underwriters Association to the new firm of Marsh & McLennan-Case, Thomas & Marsh. The executive committee has taken the position the new firm is not eligible for membership.

### GOVERNING COMMITTEE ACTS

At the meeting of the governing committee of the Western Underwriters Association Tuesday discussion centered about the mandatory legislation adopted at the annual meeting concerning St. Louis. The St. Louis agents earnestly sought to have some amendment made to the powers and limitations of class 2 agents. The committee decided to make some change and instructed Secretary C. F. Thomas to draft a resolution and send out to members for a vote. The action taken at White Sulphur, as now amended, will be put into effect when the vote is recorded.

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